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Division of Minerals

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89703
(775) 684-7040 ! Fax (775) 684-7052

CONFIDENTIAL

APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL

(Application must be accompanied by \$200 permit fee. Submit proposed drilling program with this application.)

Company/Operator MTS Energy, Inc.

Send permit to:

Street/ PO Box 301 East Kaliste Sallome Rd. # 301

City Lafayette State LA

Zip 70508 Telephone (337) 233-2099

Lease name Ferguson Spring Split Estate? [] Yes [X] No

WELL LOCATION

Grid for well location with an 'X' in the center cell.

Section 33 (Tract 37)

Locate well correctly.

Well No. 7-33 within the SW/4 NE/4

Sec 33 (Tract 37), T. 30N, R. 69E M.D.B.M.

UTM Northing 14,695,453.6' N; UTM Easting 2,423,141.4' E (Using NAD27 Datum)

Note: Please convert UTM's from NAD83 to NAD27

Field Wildcat

County Elko

The well is 1,592.3' feet from (N) [X] line and 1545.1' feet from (E) [X] line of the section.

(Give location from section line, cross out wrong directions.)

Distance and direction from nearest town 25 miles South of West Wendover, NV

If patented land, Fee Owner is

Jeffrey O. Roche, et. al.

Fee Owner Address

19205 N 6000 West, Garland, UT 84312

If government land, lease serial No. is (fee)

Land Type: [] Federal (BLM, USFS, etc.) [X] Private [] State

Lessee is Pebble Oil Company, LLC

Address PO Box 71313, Salt Lake City, UT 84171

It is proposed to drill the well to a depth of 10,520' KB feet using a rotary rig.

The elevation is 6,144 feet above sea level.

The KB will be 20'

If this is a wildcat well, attach plat by licensed surveyor showing location.

The status of a bond for this well is conformance with NRS 522.230 of the Nevada Revised Statutes is:

Cash deposit of \$10,000 made to the Nevada Division of Minerals

If bond posted with U.S. Government, what is name of surety company?

(Not Necessary)

Bond number? (n/a)

I certify that I have personal knowledge of the facts above stated and that they are true, correct, and complete.

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Signed EF Moses
Name Edward L. Moses
Position Chief Operating Officer
Date June 12th, 2012

Permit No. 37-007-05268
API No. 932
Approval Date 7/18/12
By Alan R. [Signature]

CONDITIONS OF PERMIT

1. Please send daily drilling reports to : Lowell Price..... lprice@govmail.state.nv.us
and
Linda lwells@govmail.state.nv.us
2. Additional Conditions/Comments

A.	<i>See attached Conditions of Approval.</i>
B.	
C.	