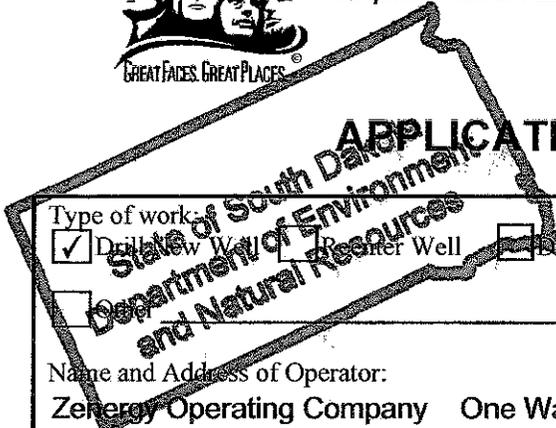




FEB 04 2009

DEPT OF ENVIRONMENT & NATURAL
 RESOURCES - RAPID CITY



APPLICATION FOR PERMIT TO DRILL

Type of work: Drill New Well Re-enter Well Drill Directional Well

Type of well: Oil Well Gas Well Injection
 Other _____

Name and Address of Operator: **Zenergy Operating Company One Warren Place, 6100 S. Yale, Tulsa, OK 74136** Telephone: **(918) 488-6416**

Name and Address of Surface Owner: **Cave Hills Cattle Co., Inc. HC 63 Hox 78, Buffalo, SD 57720**

Name and Address of Drilling Contractor and Rig Number: **Ensign United States Drilling 1700 Broadway, Suite 777, Denver, CO 80290 Rig #76**

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
SW SW, Sec. 36, T21N - R5E, Harding County, 300' FSL and 300' FWL, 45°44'02.40" Lat, 103°27'29.12" Long

If Directional, top of pay and bottom hole location from nearest lines of section:
NE NE, Sec. 31, T21N - R6E, Harding County, 550' FNL and 550' FEL (Bottom Hole)
SW SW, Sec. 36, T21N - R5E, 508' FSL and 753' FWL (Top of Pay Zone)

Acres in Spacing (Drilling) Unit: **1280** Description of Spacing Unit: **Sec. 36, T21N - R5E: All & Sec. 31, T21N - R6E: All**

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Tecton Cave Hills Cattle Co., Inc. #13-36H	2955'	Bull Creek	18,924' MD Red River B

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12-1/4"	9-5/8"	36#	2000'	380 sx Class C, 300 sx Class G	2000'
2) 8-3/4"	7"	29 & 32#	8,757'	200 sx 65/35 Class G Poz, 500 sx Class G	8,757'
3) 6"			18,924'	Open Hole Completion	18,924'
4)					

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.
Zenergy proposes to drill a horizontal well to test the Red River B formation. This well is planned to be an open hole lateral, natural in the Red River interval. A 12 mil plastic liner with a burst strength of at least 200 psi will be installed. The Red River interval will be penetrated at least 500' off the section lines.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.
Venessa Langmacher **Venessa Langmacher** Agent for Zenergy **01/22/2009**
 Signature Name (Print) Title Date

FOR OFFICE USE ONLY

Approved By: [Signature] Title: Oil and Gas Supervisor

Permit No. 1918 API No. 40 063 20687 Date Issued: February 4, 2009

Conditions, if any, on attached page.