DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2

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MAR 14 2005
DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

Type of work:
Drill New Well X Reenter Well X Drill Directional Well
X Other Horizontal

Type of well:
X Oil Well Gas Well Injection
Other

Name and Address of Operator:
Murex Petroleum Corporation P C Box 7, Humble, TX 77347

Telephone
(281) 590-3313

Name and Address of Surface Owner:
U. S. Forest Service, Regional Office in Billings, Mt.

Name and Address of Drilling Contractor and Rig Number:
C&H Well Service, Gillette, WY Rig 104

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
NENE Sec. 9-22N-5E 300' FNL & 850' FEL Harding Co., SD

If Directional, top of pay and bottom hole location from nearest lines of section: NE leg 9003'MD=8943'TVD, BHL 2100' FSL & 0' FEL
Est'd top: SE leg 8997'MD=8943'TVD, BHL 2100' FNL & 0' FEL Sec. 9; of Sec. 4

Acres in Spacing (Drilling) Unit
640

Description of Spacing Unit
SE/4 SEC. 4, SW/4 SEC.3, NE/4 SEC 9, SW/4 SEC 10

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Fuller Canyon 1-9 Federal	3039' GL	Yellow Hair	SE leg-10892'MD=8943 TVD Red River B NE leg-11443'MD=8943'TVD Red River B

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1)12 ¼	8 5/8	24	2002	840	Surf
2) 7 7/8	5 ½	17, 20, 23	9257	1095	3598
3)					
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.
Cmt. sqze. perfs. 8943-9133 (selective). Run gyro directional survey. Mill csg. window 8834-40 w/azimuth of 155 deg. Drill and land curve in Red River B zone. Drill 4 ½" horiz. lateral to TD 10892'MD=8943' w/BHL 2100' FNL & 0' FEL of Sec. 9. Mill 2nd window 8822'-28' w/azimuth of 20 deg. Drill and land curve in Red River B zone. Drill 4 1/2 " horizontal lateral to TD 11443'MD=8943'TVD w/BHL 2100' FSL & 0' FEL of Sec. 4. See attached directional drilling plan. Fresh water/polymer will be used for drilling the laterals and will be contained in a 12 mil lined pit. Liquids will be disposed of in an approved site. Cuttings and liner will be buried in place. Completion will be thru open hole. Luff Exploration will be conduct these operations on behalf of Murex Petroleum Corp. Murex will remain Operator of the well when it is returned to production.

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Donald A Kessel
Signature

Donald A. Kessel
Name (Print)

Vice President
Title

2/25/04
Date

SOUTH DAKOTA STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE

FOR OFFICE USE ONLY

Approved By: Fred Wstece

Title: Oil & Gas Supervisor

Permit No. 1726

API No. 40 063 20389.01

Date Issued: 03/28/05

Conditions, if any, on attached page.