

CITY OF McALLEN
REQUEST FOR OIL OR GAS DRILLING PERMIT

DATE March 3, 1994

1. Company submitting Request: American Exploration Company
2. Address: 1331 Lamar Street Suite 900
3. City/State: Houston, Texas 77010-3088
4. Legal & geographic description of drilling site: 205' West from the East Line and 161' South from the North line of Lot 100 of the Hammon's Subd. Blk. 2. All of Lots 98, 99 and 100 identified on the attached plat are open with no structures located on them. The location is at least 251' from the nearest business or home.
5. The following requirements have/have-not been satisfied:
- (A) Drilling permit fee submitted to City Secretary in the amount of \$1,500.00.
 - (B) Performance bond, (clean-up, repairs & replacement) in amount of \$25,000.00.
 - (C) Insurance as per Drilling Ordinance:
 - Public Liability - Occurrence \$ 1,000,000.00
 - Combined Single Limit (B.I./P.D.)
6. See Exhibit "A" for other requirements.
7. Approval of the following City Officials is required before issuance of permit:
- (A) City Secretary: [Signature]
 - (B) City Attorney: [Signature]
 - (C) Director of Planning: (Special use permit) [Signature]
 - (D) City Engineer: [Signature]
 - (E) City Commission Approval: 3-14-94

Date