

CITY OF MCALLEN
REQUEST FOR OIL OR GAS DRILLING/RE-ENTRY PERMIT

DATE September 17, 2007

1. Company submitting request: KEBO OIL & GAS, Inc.

2. Address: 607 Railroad Avenue
3. City: Portland State: Texas Zip Code: 78374
4. Legal and geographic description of drilling/re-entry site: Drilling Block 602, Located in Lot 1, Block 2, of the Rio Bravo subdivision, located within the floodway, west of 23rd Street approximately 1000'
5. The following requirements have been satisfied:
 - A) **Drilling permit fee submitted to City Secretary in the amount of \$ 2,500.00**
 - B) **Performance Bond, (clean-up, repairs & replacement) in the 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: Annette Villanueva
 - B) City Attorney: [Signature]
 - C) Director of Planning: JR Rashmi CUPNA
 - D) City Engineer: [Signature]
 - E) City Commission Approval Date: November 26, 2007

EXHIBIT "A"
Drilling Ordinance