

CITY OF MCALLEN
REQUEST FOR OIL OR GAS DRILLING PERMIT

DATE: March 22, 2004

1. Company submitting Request: TOTAL E&P USA, INC.
2. Address: 800 Gessner, Suite 700
3. City/State: Houston, Texas 77024
4. Legal and Geographic Description of Drilling Site: McAllen Fieldwide Unit #89 Well
Surface Location: 719.5 feet from the north line, 717.0 feet from the east line of Lot 8 (of Lot 16), in the Southeast Quarter (SE/4) of Block 8, of the Hidalgo Canal Company Subdivision, Drilling Block #81, City of McAllen, Hidalgo County, Texas.
Bottomhole Location: approximately 1,665.91 feet southwest of the surface location, being 369.92 feet from the south line and 116.12 feet from the east line of Lot 3 (of Lot 2), in the Northeast Quarter (NE/4) of Block 7, Hidalgo Canal Company Subdivision, Drilling Block #7, City of McAllen, Hidalgo County, Texas.
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 amount of \$25,000.00.
 - C. Insurance as per Drilling Ordinance:

Public Liability - Occurrence	\$1,000,000
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, Asst. City Secretary
 - B) City Attorney: Jan E. Dooly
 - C) Director of Planning: Juanine R Rankin NA
(Special Use Permit)
 - D) City Engineer: PTB 3/23/2004
 - E) City Commission Approval: March 22, 2004