

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

DATE April 17, 2008

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

2. Address: 607 Railroad Ave.
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 fo 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 Villaneal
- B) City ^{Engineer} Attorney: [Signature]
- C) Director of Planning: Juanine R Rankin (NA)
- D) City ^{Attorney} Engineer: [Signature]
- E) City Commission Approval Date: April 28, 2008

PERMIT TO BE EFFECTIVE ON MAY 27, 2008.

EXHIBIT "A"
Drilling Ordinance