

PAXTON

Responsible Energy Development

RECEIVED
MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY
2012 MAR 21 A 11:15

March 13, 2012

Washtenaw County Clerk
200 N. Main St.
Ann Arbor, MI 48107-8645

RE: Finkbeiner D3-28 HD Well
SE/4SW/4, SW/4SE/4 of Sec 28, T4S-R5E
Saline Township, Washtenaw County, MI

Dear Ladies and Gentlemen:

Paxton Resources, L.L.C. hereby notifies you that we have filed an application with the Michigan Department of Environmental Quality to drill an exploratory oil and gas well. Enclosed for your information is a copy of the first page of the drilling application and the supplemental plat.

If you have any questions, please call me at (989) 732-9400 x 211.

Yours truly,



Becky A. Farmer
Landman

Enclosure





APPLICATION FOR PERMIT TO:
 DRILL **DEEPEN** **CONVERT**
AND OPERATE A WELL

By authority of Part 615 or Part 625 of Act 451 PA 1994, as amended.
 Non-submission and/or falsification of this information
 may result in fines and/or imprisonment.

1a. Part 615 Supervisor of Wells
 Oil and Gas
 Brine Disposal
 Hydrocarbon Storage
 Injection for Secondary Recovery

1b. Part 625 Mineral Wells
 Waste Disposal
 Brine Production
 Processed brine disposal
 Storage
 Test, fee sched. on rev.

1c. Fee enclosed
 Yes
 No, revision of application
 No, leg of horz drainhole

2. List all previous permit numbers _____

3. Fed. Employer ID. No. or Soc. Security No. 38-3234608

4. Conformance bond
 Blanket Single well

5. Attached On file

6. Bond number 98037

7. Bond amount 250,000

8. Applicant (name of permittee as bonded)
Paxton Resources L.L.C.

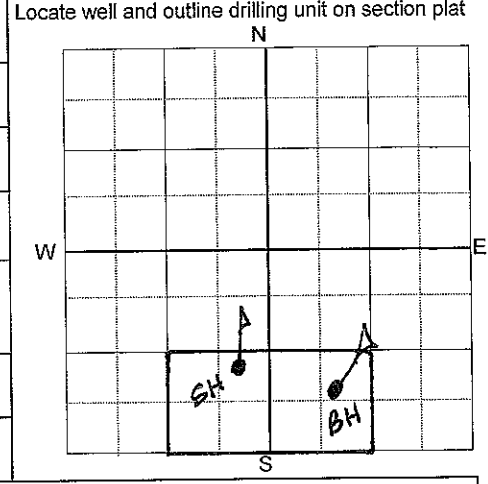
9. Address
132 N Otsego
Gaylord, MI. 49735

Phone
(989) 732-9400
 I authorize DEQ 4 additional days to process this application.
 Yes No

10. Lease or well name (be as brief as possible)
Finkbeiner

Well number D3-28 HD

11. Surface owner
Finkbeiner



12. Surface location
 NE 1/4 of SE 1/4 of SW 1/4 of Sec 28 T 4S R 5E Township Saline County Washtenaw

13. If directional, bottom hole location
 NE 1/4 of SW 1/4 of SE 1/4 of Sec 28 T 4S R 5E Township Saline County Washtenaw

14. The surface location for this well is
983 feet from nearest (N/S) South section line AND 2309 feet from nearest (E/W) West section line

15. Is this a directional well? No Yes If yes, complete line 15. The bottom hole location for this well is
710 feet from nearest (N/S) South section line AND 1745 feet from nearest (E/W) South section line

16. The bottom hole location (whether straight or directional) of this well is
614 feet from nearest (N/S) North drilling unit line AND 411 feet from nearest (E/W) East drilling unit line

17. Kind of tools
 Rotary Cable Combination

18. Is sour oil or gas expected?
 No Yes H₂S Cont. plan enclosed

19. Base of lowest known fresh water aquifer
 Formation Base of Drift Depth 200'

20. Intended total depth
MD 4214 TVD 3238

21. Formation at total depth
Trenton/Black River

22. Producing/injection formation(s)
Trenton/Black River

23. Objective pool, field, or project
Exploratory

24. PROPOSED DRILLING, CASING AND CEMENTING AND SEALING PROGRAM

HOLE			CASING			CEMENT			MUD		
Depth (MD)	Geol. Formation	Bit Dia.	O.D. Size	Wt/Ft	Grade Condition	Depth (MD)	Sacks	T.O.C.	W.O.C	Wt.	Vis.
349 ft.	TraverseLime	14 3/4	11 3/4	42#	H-40 Existing	349 ft.	NA	NA	NA	N/A	N/A
1243 ft.	F Unit	10 5/8	8 5/8	24#	J-55 Existing	1243 ft.	NA	NA	NA	NA	NA
4214 ft.	TrenBlackRiver	7 7/8	5 1/2	15.5#	J-55 New	4214 ft.	250	1250	12	8.4	29

25. DETAIL CEMENTING PROGRAM. IDENTIFY ALL CEMENT CLASSES, ADDITIVES, AND VOLUMES (IN CU. FT.) FOR EACH CASING STRING.

Surface Existing _____

Intermediate Existing _____

Production/Injection 250 sks 65/35 cement light weight yield of 1.7 and 275 sks Class A yield of 1.2 w/3% CaCl

26. Send correspondence and permit to
 Name Mark Bailey E-mail m Bailey@paxtonenergy.com
 Address 132 N Otsego Avenue Gaylord, MI. 49735 Phone (989) 732-9400

CERTIFICATION "I state that I am authorized by said applicant. This application was prepared under my supervision and direction. The facts stated herein are true, accurate and complete to the best of my knowledge."

27. Application prepared by (print or type) Mark Bailey Phone (989) 732-9400

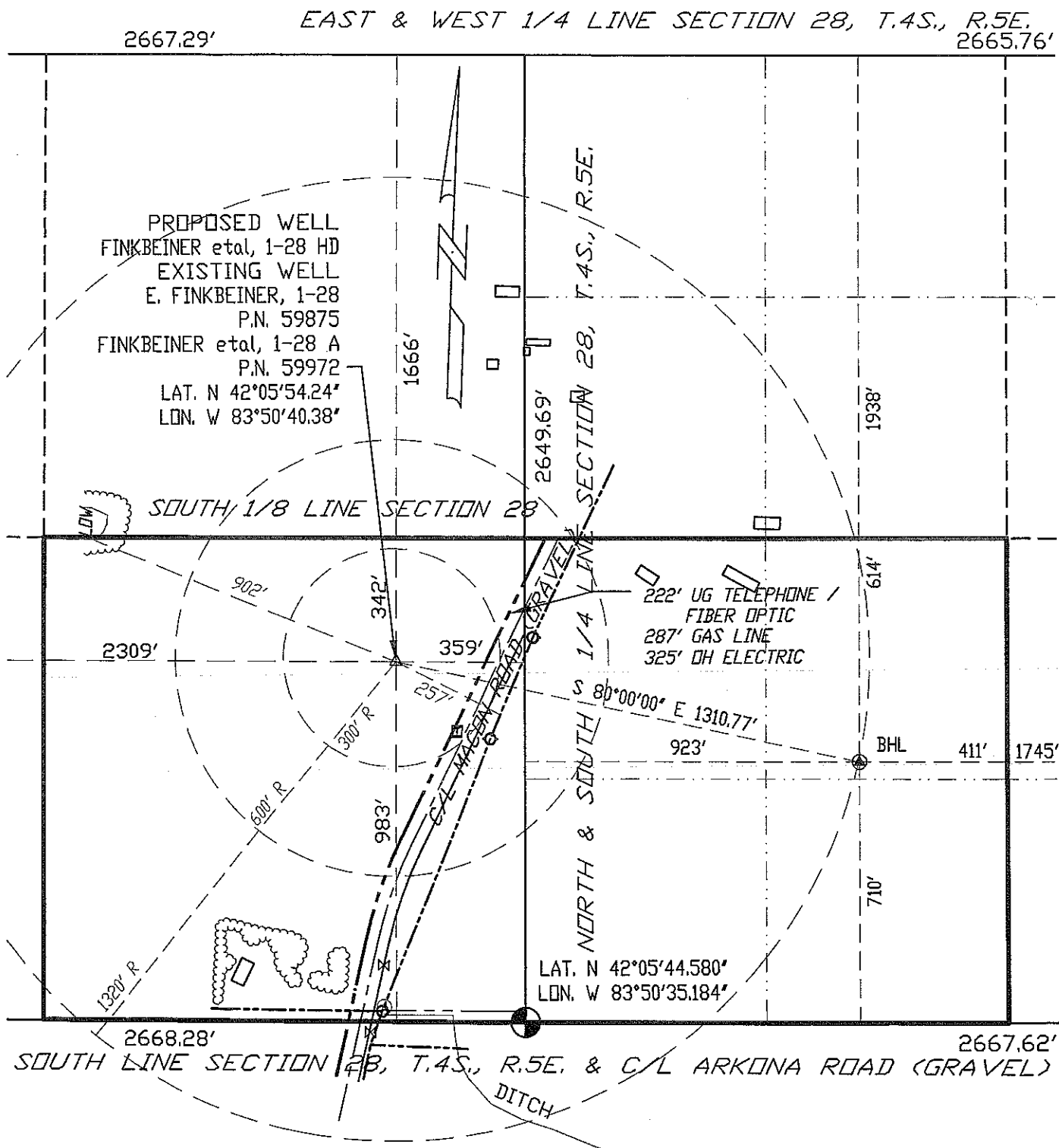
28. Signature [Signature] Date 3-13-2012

Office of Geological Survey Use Only

Permit number	API number	Date issued	Owner number
---------------	------------	-------------	--------------

Enclose permit fee of \$300 for all Part 615 wells; \$2,500 for a Part 625 waste disposal well; or \$500 for a brine production, processed brine disposal, or storage well. Make checks payable to State of Michigan.
 DEQ Cashier use only.

PAXTON RESOURCES
 FINKBEINER 3-28 HD
 N.E. 1/4 of S.E. 1/4 of S.W. 1/4 of
 SECTION 28, T.4S., R.5E., SALINE TOWNSHIP
 WASHTENAW COUNTY, MICHIGAN
 SCALE 1"=400'



DRAWN BY: AWA
 DATE: 23-FEB-12
 DWG. NO.:

WORTH SURVEYING

6
 P.O. BOX 4003
 JACKSON, MI 49204
 (517) 799-9996