

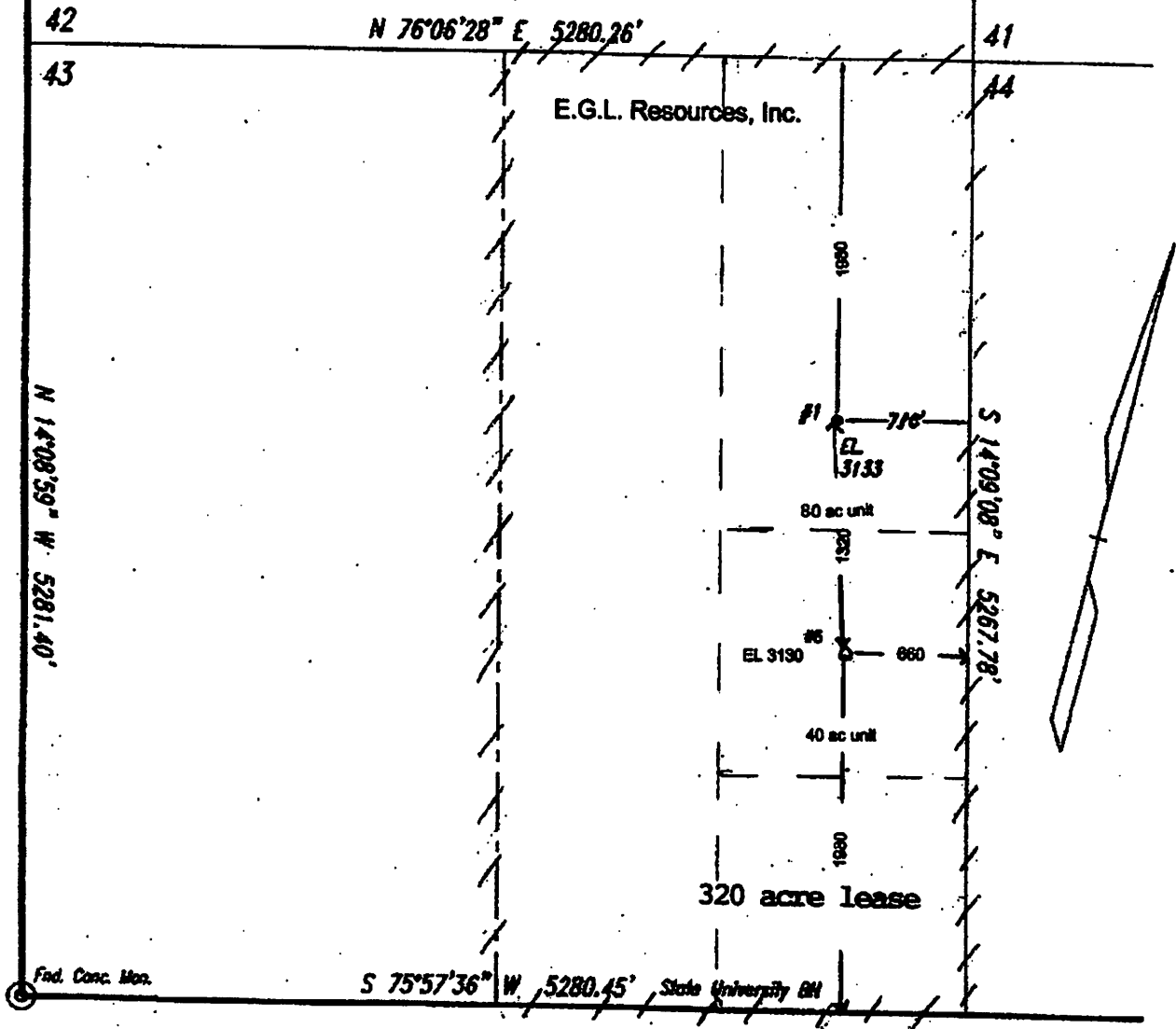
API No. <u>42-003-02539</u> Drilling Permit # <u>625087</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>238522</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>E.G.L. RESOURCES, INC.</u>		3. Operator Address (include street, city, state, zip): 		
4. Lease Name <u>STATE UNIVERSITY -BH-</u>		5. Well No. <u>1</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> New Drill <input checked="" type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter </div> <div style="display: flex; justify-content: space-between;"> <input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) </div>						
7. Wellbore Profile (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <input checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack </div>						
8. Total Depth <u>10574</u>		9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>ANDREWS</u>		13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore		
14. This well is to be located <u>6</u> miles in a <u>N</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.						
15. Section <u>43</u>	16. Block <u>9</u>	17. Survey <u>UL</u>	18. Abstract No. <u>A-</u>	19. Distance to nearest lease line: <u>710</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>320</u>	
21. Lease Perpendiculars: <u>1980</u> ft from the <u>N</u> line and <u>710</u> ft from the <u>E</u> line. 22. Survey Perpendiculars: <u>1980</u> ft from the <u>NW</u> line and <u>710</u> ft from the <u>NE</u> line.						
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No: _____		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	91350600	TRIPLE-N (PENN., UPPER)	Oil Well	10320	0.00	
08	28899249	EMMA (ELLENBURGER)	Oil Well	10320	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks 			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> <u>Linda Johnston, Agent</u> Name of filer </div> <div> <u>Nov 09, 2009</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(830)9645963</u> Phone </div> <div> <u>stateoilreports@satx.rr.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Apr 30, 2010 2:58 PM(Current Version)						

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 625087	DATE PERMIT ISSUED OR AMENDED (AMENDED) Nov 13, 2009	DISTRICT * 08
API NUMBER 42-003-02539	FORM W-1 RECEIVED Nov 09, 2009	COUNTY ANDREWS
TYPE OF OPERATION RECOMPLETION	WELLBORE PROFILE(S) Vertical	ACRES 320
OPERATOR E.G.L. RESOURCES, INC.		238522 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME STATE UNIVERSITY -BH-		WELL NUMBER 1
LOCATION 6 miles N direction from ANDREWS		TOTAL DEPTH 10574
Section, Block and/or Survey SECTION ◀ 43 BLOCK ◀ 9 ABSTRACT ◀ SURVEY ◀ UL		
DISTANCE TO SURVEY LINES 1980 ft. NW 710 ft. NE		DISTANCE TO NEAREST LEASE LINE 710 ft.
DISTANCE TO LEASE LINES 1980 ft. N 710 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>		
FIELD NAME	ACRES	DEPTH
LEASE NAME	NEAREST LEASE	WELL #
		NEAREST WE
		DIST
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TRIPLE-N (PENN., UPPER)	320.00	10,320
STATE UNIVERSITY -BH-	710	0
RESTRICTIONS: This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.		
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EMMA (ELLENBURGER)	320.00	10,320
STATE UNIVERSITY -BH-	710	0
RESTRICTIONS: This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.		
<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p>		

Block 9, University Land



Note: Survey Reconstruction filed in the Office of Luchini and Mertz Land Surveying Company.
 Note: All bearings and coordinates shown are based on the Texas Coordinate System of 1983, Central Zone.
 A combined grid factor of 0.99994456 must be divided into Section Line distances to obtain a true horizontal distance.
 Note: Example: (S-99999) indicates General Land Office file number.
 Note: NAD 27 Coordinates & Latitude/Longitude on well location in Section 43.
 Note: Well location is approximately 14.7 miles southwest of Andrews.

#1
 X: 1594374.49 Latitude - 32°06'55.620" N
 Y: 10740338.45 Longitude - 102°36'04.492" W

Railroad Commission Permit Plat
 Well #1 DIST. 08 LSE #38471
 1980 FNL & 710 FEL
 E.G.L. Resources, Inc.
 "State University BH" Lessee
 E/2 of
 Section 43, Block 9,
 University Land,
 Andrews County, Texas

October 3, 2006

0610038

Scale: 1" = 1000'

PROFESSIONAL LAND SURVEYORS
 LUCHINI & MERTZ
 Boundary Surveys

Box 1953 Midland, Texas 79702 (432) 684-6728 Fax 686-1845