

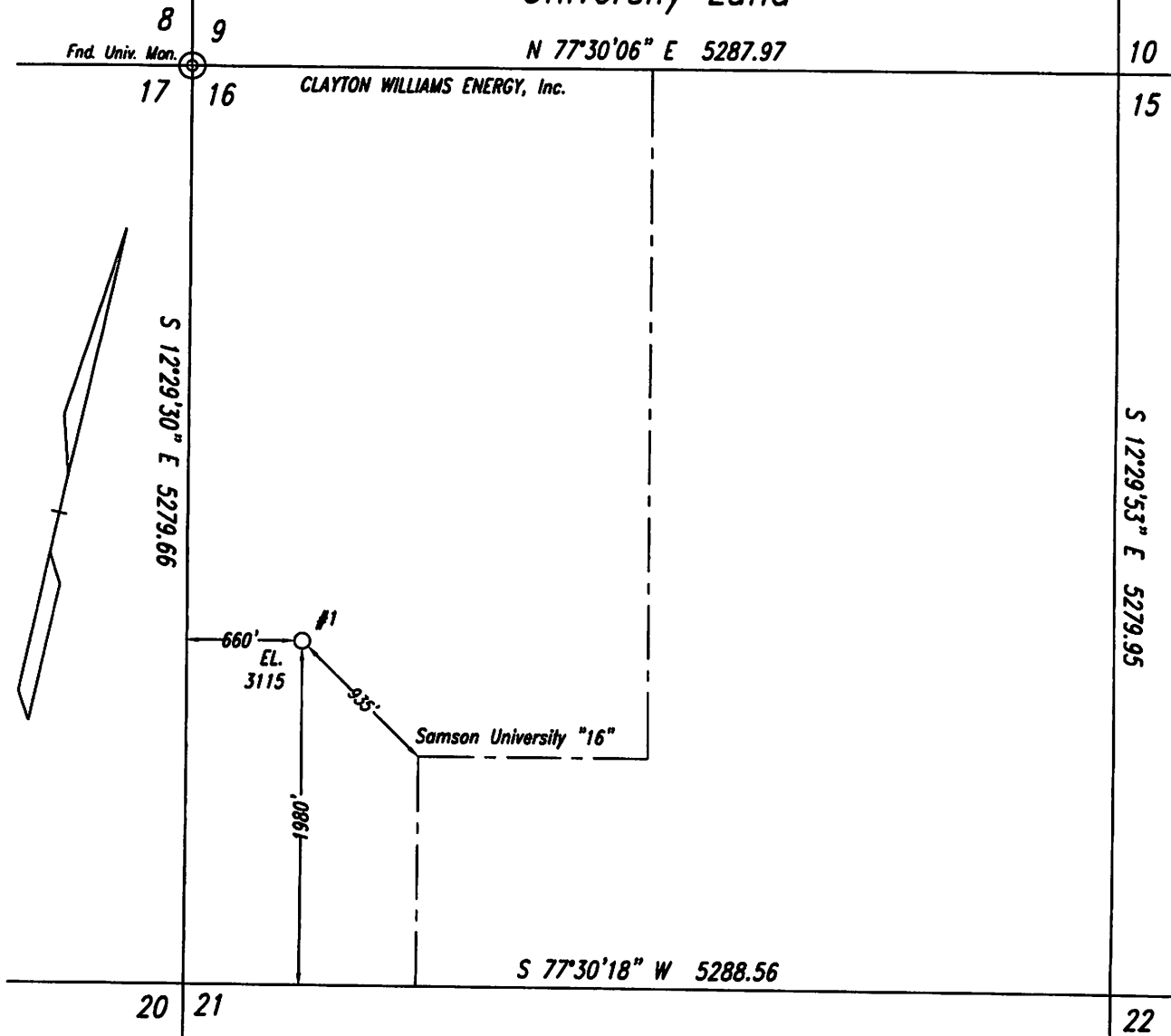
API No. <u>42-003-42005</u> Drilling Permit # <u>701099</u> SWR Exception Case/Docket No. _____		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>	
1. RRC Operator No. <u>924624</u>		2. Operator's Name (as shown on form P-5, Organization Report) <u>WILLIAMS, CLAYTON ENERGY, INC.</u>		3. Operator Address (include street, city, state, zip): _____ _____ _____		
4. Lease Name <u>SAMSON UNIVERSITY "16"</u>		5. Well No. <u>1</u>				
<b>GENERAL INFORMATION</b>						
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <span><input checked="" type="checkbox"/> New Drill</span> <span><input type="checkbox"/> Recompletion</span> <span><input type="checkbox"/> Reclass</span> <span><input type="checkbox"/> Field Transfer</span> <span><input type="checkbox"/> Re-Enter</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Amended</span> <span><input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)</span> </div>						
7. Wellbore Profile (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <span><input checked="" type="checkbox"/> Vertical</span> <span><input type="checkbox"/> Horizontal (Also File Form W-1H)</span> <span><input type="checkbox"/> Directional (Also File Form W-1D)</span> <span><input type="checkbox"/> Sidetrack</span> </div>						
8. Total Depth <u>11500</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		
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>						
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>9.7</u> miles in a <u>NE</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site.						
15. Section <u>16</u>	16. Block <u>4</u>	17. Survey <u>ULS</u>	18. Abstract No. <u>A-U78</u>	19. Distance to nearest lease line: <u>660</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>280.48</u>	
21. Lease Perpendiculars: <u>660</u> ft from the <u>W</u> line and <u>1980</u> ft from the <u>S</u> line. 22. Survey Perpendiculars: <u>660</u> ft from the <u>W</u> line and <u>1980</u> ft from the <u>S</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		
<b>FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.</b>						
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	32. Number of Wells on this lease in this Reservoir
08	85280300	SPRABERRY (TREND AREA)	Oil or Gas Well	8500	0.00	1
08	56822750	MAGUTEX (STRAWN)	Oil Well	8500	0.00	1
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>						
<b>Remarks</b>    			<b>Certificate:</b> 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>Betsy Luna, Engineering Technician</u>            Name of filer  <u>(432)6826324</u>            Phone         </div> <div> <u>Aug 23, 2010</u>            Date submitted  <u>bluna@claytonwilliams.com</u>            E-mail Address (OPTIONAL)         </div> </div>			
<b>RRC Use Only</b> Data Validation Time Stamp: <u>Aug 26, 2010 8:58 AM( Current Version )</u>						

**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 <b>701099</b>	DATE PERMIT ISSUED OR AMENDED <b>Aug 25, 2010</b>	DISTRICT <b>* 08</b>		
API NUMBER <b>42-003-42005</b>	FORM W-1 RECEIVED <b>Aug 23, 2010</b>	COUNTY <b>ANDREWS</b>		
TYPE OF OPERATION <b>NEW DRILL</b>	WELLBORE PROFILE(S) <b>Vertical</b>	ACRES <b>280.48</b>		
OPERATOR <b>WILLIAMS, CLAYTON ENERGY, INC.</b>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> <b>(432) 684-5581</b>		
LEASE NAME <b>SAMSON UNIVERSITY "16"</b>		WELL NUMBER <b>1</b>		
LOCATION <b>9.7 miles NE direction from ANDREWS</b>		TOTAL DEPTH <b>11500</b>		
Section, Block and/or Survey SECTION <b>16</b> BLOCK <b>4</b> ABSTRACT <b>U78</b> SURVEY <b>ULS</b>				
DISTANCE TO SURVEY LINES <b>660 ft. W    1980 ft. S</b>		DISTANCE TO NEAREST LEASE LINE <b>660 ft.</b>		
DISTANCE TO LEASE LINES <b>660 ft. W    1980 ft. S</b>		DISTANCE TO NEAREST WELL ON LEASE <b>See FIELD(s) Below</b>		
FIELD(s) and LIMITATIONS: <p align="center"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST
----- <b>SPRABERRY (TREND AREA)</b> <b>SAMSON UNIVERSITY "16"</b>	<b>280.48</b> <b>660</b>	<b>8,500</b>	<b>1</b> <b>0</b>	<b>08</b>
----- <b>MAGUTEX (STRAWN)</b> <b>SAMSON UNIVERSITY "16"</b>	<b>280.48</b> <b>660</b>	<b>8,500</b>	<b>1</b> <b>0</b>	<b>08</b>
RESTRICTIONS:    This is a hydrogen sulfide field.    This well shall be drilled in accordance with SWR 36.				
<p align="center"><b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b></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 4, University Land



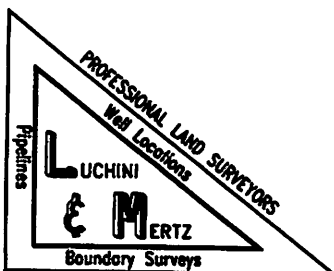
Note: Survey Reconstruction filed in the Office of Luchini and Mertz Land Surveying Company.  
 Note: All bearings and coordinates shown are based on the Texas Coordinate System of 1927, North Central Zone.  
 A combined grid factor of 0.9997741 must be divided into Section Line distances to obtain a true horizontal distance.  
 Note: Example: (S-99999) indicates General Land Office file number.  
 Note: NAD '27 Coordinates & NAD '83 Latitude/Longitude on well location in Section 16.  
 Note: Well location is approximately 9.7 miles northeast of Andrews.

#1  
 X: 466954.41 Latitude - 32.44434571° N  
 Y: 319165.72 Longitude - 102.47170134° W

Railroad Commission Permit Plat

CLAYTON WILLIAMS ENERGY, Inc.  
 Samson University "16" Lease  
 W/2 (Less the SE/4 of the SW/4) of  
 Section 16, Block 4,  
 University Land,  
 Andrews County, Texas  
 280.482 ACRES

Scale: 1" = 1000'



Steven L. Prewit  
 July 21, 2010  
 10072186