

API No. <u>42-475-30324</u> Drilling Permit # <u>669191</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>562563</u>		2. Operator's Name (as shown on form P-5, Organization Report) MEXCO ENERGY CORPORATION		3. Operator Address (include street, city, state, zip): P O BOX 10502 MIDLAND, TX 79702		
4. Lease Name WARD GRANDE		5. Well No. <u>1</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input checked="" type="checkbox"/> Re-Enter </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input 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; margin-top: 5px;"> <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>19590</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 WARD		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>PYOTE</u> which is the nearest town in the county of the well site.						
15. Section <u>15</u>		16. Block <u>17</u>		17. Survey UNIVERSITY LANDS		
		18. Abstract No. <u>A-</u>		19. Distance to nearest lease line: <u>660</u> ft.		
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>		
21. Lease Perpendiculars: <u>660</u> ft from the <u>N</u> line and <u>660</u> ft from the <u>E</u> line.						
22. Survey Perpendiculars: <u>6000</u> ft from the <u>E</u> line and <u>22500</u> ft from the <u>N</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	00018001	WILDCAT	Gas Well	14300	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks [RRC STAFF Sep 3, 2008 2:57 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 3, 2008 3:03 PM]: Mailed problem letter 9/3/08.; [RRC STAFF Sep 3, 2008 4:31 PM]: Problems identified with this permit are resolved.			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; margin-top: 20px;"> <div style="text-align: center;"> <u>< Mail in Application ></u> Name of filer </div> <div style="text-align: center;"> <u>Aug 15, 2008</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> Phone _____ </div> <div style="width: 45%;"> E-mail Address (OPTIONAL) _____ </div> </div>			
RRC Use Only Data Validation Time Stamp: May 4, 2010 10:10 AM(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 669191	DATE PERMIT ISSUED OR AMENDED Sep 03, 2008	DISTRICT * 08																				
API NUMBER 42-475-30324	FORM W-1 RECEIVED Aug 15, 2008	COUNTY WARD																				
TYPE OF OPERATION REENTER	WELLBORE PROFILE(S) Vertical	ACRES 640																				
OPERATOR MEXCO ENERGY CORPORATION P O BOX 10502 MIDLAND, TX 79702		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 WARD GRANDE		WELL NUMBER 1																				
LOCATION 6 miles N direction from PYOTE		TOTAL DEPTH 19590																				
Section, Block and/or Survey SECTION ◀ 15 BLOCK ◀ 17 ABSTRACT ◀ SURVEY ◀ UNIVERSITY LANDS																						
DISTANCE TO SURVEY LINES 6000 ft. E 22500 ft. N		DISTANCE TO NEAREST LEASE LINE 660 ft.																				
DISTANCE TO LEASE LINES 660 ft. N 660 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>																						
<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">FIELD NAME LEASE NAME</th> <th style="width:10%;">ACRES NEAREST LEASE</th> <th style="width:10%;">DEPTH NEAREST LEASE</th> <th style="width:10%;">WELL # NEAREST WE</th> <th style="width:10%;">DIST</th> </tr> </thead> <tbody> <tr> <td>-----</td> <td>-----</td> <td>-----</td> <td>-----</td> <td>---</td> </tr> <tr> <td>WILDCAT</td> <td>640.00</td> <td>14,300</td> <td>1</td> <td>08</td> </tr> <tr> <td>WARD GRANDE</td> <td>660</td> <td></td> <td>0</td> <td></td> </tr> </tbody> </table>			FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST	-----	-----	-----	-----	---	WILDCAT	640.00	14,300	1	08	WARD GRANDE	660		0	
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RESTRICTIONS: Permitted for gas only. 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>																						



Schlumberger BlueView :