

HALLIBURTON

14-Apr-11

Texas Railroad Commission
Pam Johns, Oil Gas Division
P.O. Box 12967, Capitol Station
Austin, TX 78711

Company:	St. Mary Energy Company
RRC Operator #:	788997
Well Name:	Magellan No. 1H
Drilling Permit #:	710566
Abstract #:	35
County:	San Augustine County, TX
API #:	42-405-30419
Sperry DS Job #:	7909603

Final Survey for:

Dear Ms. Johns:

Enclosed you will find the original survey performed by Halliburton Energy Services, Inc. (AKA Sperry Drilling Services) on the above referenced well. In addition to the survey, I have included a certified plat on which the bottom hole location is oriented to both the surface location and the nearest lease line (or unit of lines in case of pooling) and a signed letter from the surveyor.

Other information required by your office is as follows:

Name & Title of Surveyor:	Daniel Little
Type of Survey:	MWD
Dates Performed:	3/26/2011 thru 4/9/2011
Drainhole Number:	Original
Surveyed Depths:	12636 to 18905

Should you have any questions or require additional information, please do not hesitate to contact me @ 281-986-4416



Rachell Ortiz
Sperry Drilling Services

RAILROAD COMMISSION OF TEXA
OIL & GAS DIVISION

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

PERMIT NUMBER 710566	DATE PERMIT ISSUED OR AMENDED Feb 22, 2011	DISTRICT * 06															
API NUMBER 42-405-30419	FORM W-1 RECEIVED Feb 17, 2011	COUNTY SAN AUGUSTINE															
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 547.86															
OPERATOR SM ENERGY COMPANY 777 N ELDRIDGE PARKWAY STE 1000 HOUSTON, TX 77079		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: (903) 984-3026															
LEASE NAME MAGELLAN		WELL NUMBER 1H															
LOCATION 1.7 miles NE direction from SAN AUGUSTINE		TOTAL DEPTH 14000															
Section, Block and/or Survey SECTION ◀ BLOCK ◀ ABSTRACT ◀ 35 SURVEY ◀ QUIRK, E																	
DISTANCE TO SURVEY LINES 3497 ft. SOUTH 8062 ft. WEST		DISTANCE TO NEAREST LEASE LINE 330 ft.															
DISTANCE TO LEASE LINES 3497 ft. S (OFF LSE) 8062 ft. W (OFF LSE)		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="text-align: left;">FIELD NAME LEASE NAME</th> <th style="text-align: right;">ACRES NEAREST LEASE</th> <th style="text-align: right;">DEPTH</th> <th style="text-align: right;">WELL # NEAREST WE</th> <th style="text-align: right;">DIST</th> </tr> </thead> <tbody> <tr> <td>CARTHAGE (HAYNESVILLE SHALE)</td> <td style="text-align: right;">547.86</td> <td style="text-align: right;">13,500</td> <td style="text-align: right;">1H</td> <td style="text-align: right;">06</td> </tr> <tr> <td>MAGELLAN</td> <td style="text-align: right;">330</td> <td></td> <td style="text-align: right;">0</td> <td></td> </tr> </tbody> </table>			FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST	CARTHAGE (HAYNESVILLE SHALE)	547.86	13,500	1H	06	MAGELLAN	330		0	
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST													
CARTHAGE (HAYNESVILLE SHALE)	547.86	13,500	1H	06													
MAGELLAN	330		0														
WELLBORE PROFILE(s) FOR FIELD: Horizontal																	
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 330.0 F NORTH L 1149.0 F WEST L Terminus Location BH County: SAN AUGUSTINE Section: Block: Abstract: 432 Survey: GARRETT, W Lease Lines: 330.0 F SOUTH L 598.0 F WEST L Survey Lines: 2125.0 F NORTH L 601.0 F WEST L																	
<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>																	

CURSORY REVIEW OF AREA
REVEALED NO WATER WELLS
WITHIN 1,320 FEET OF
PROPOSED SURFACE LOCATION

ERICSSON UNIT

PROPOSED SURFACE LOCATION
X= 3,926,957'
Y= 735,897'
Lat= 31.5426593°N
Lon= 94.1446551°W

GROUND ELEVATION = 386'

LASALLE UNIT

This plat is NOT intended to represent a "BOUNDARY SURVEY". This plat was prepared for the sole use of SM Energy Company. The tract outlines and acreage shown are based upon information provided by SM Energy Company. Location staked from tract lines as evidenced by occupation.

EDMUND QUIRK A-35

PROPOSED FIRST TAKE POINT
X= 3,926,995'
Y= 735,501'
Lat= 31.5415654°N
Lon= 94.1446044°W

MAGELLAN 547.86 AC

TRACT	ACREAGE
1	15.82 *
2	0.26 *
3	15.75 *
4	118.28 *
4A	1.93 *
5	6.04
6	124.33
7	41.92 *
8	52.51 *
9	27.04
10	8.52
11	1.72
12	4.85
13	0.70
14	21.83
15	5.62
16	38.34
17	39.21 *
18	3.53 *
19	15.29 *
20	4.36 *
TOTAL = 547.86 ACRES	

* Denotes Calculated/ Scaled Acreage

70.6 AC Represents Scaled/Calculated Acreage Calls

70.6 AC Represents Deed Acreage Calls

IR = Found Iron Rod

CM = Found Concrete Monument

IP = Found Iron Pipe

AXLE = Found Axle

FC = Fence Corner

I hereby certify that the proposed location is correctly shown hereon to the best of my knowledge and belief.

Ronald E. Prather
RONALD E. PRATHER
PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5200

C&C Technologies
SURVEY SERVICES
700 E. ANDRE SUITE 1000 ANDRE, LA 70002-4000
RECORDING NUMBER: 1001 10-0

FILE: L:\TEXAS\ISSAN AUGUSTINE\101052B-1.DWG

SM ENERGY

SM ENERGY COMPANY
330 MARSHALL STREET, SUITE 1200
SHREVEPORT, LOUISIANA 71101

MAGELLAN NO. 1-H
SAN AUGUSTINE CO., TX.

DATE: FEB. 16, 2011

BL-13 S

0' PLAN 1000'
SCALE IN FEET

S W HORTON A-144 CORTES UNIT

W GARRETT A-432

T N B GREER A-122

PROPOSED SURFACE
LOCN - MAGELLAN NO.
1-H
Located 8,062 feet from
the West line and 3,497
feet from the South line of
the EDMUND QUIRK
SURVEY A-35.

PROPOSED FIRST TAKE
PT. - MAGELLAN NO. 1-H
Located 330 feet from the
North unit line and 1,149 feet
from the West unit line.

PROPOSED LAST TAKE
PT. - MAGELLAN NO. 1-H
Located 330 feet from the
South unit line and 598 feet
from the West unit line.

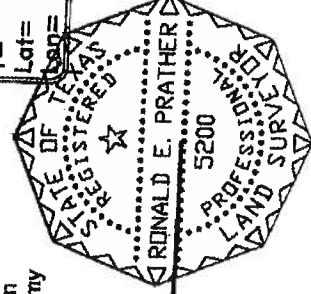
PROPOSED END OF
LATERAL - MAGELLAN
NO. 1-H

Located 601 feet from the
West line and 2,125 feet
from the North line of the W.
GARRETT SURVEY A-432.

Located approx. 1.7 miles N68°16'E of
San Augustine, Texas.

PROPOSED LAST TAKE POINT
X= 3,927,488'
Y= 730,340'
Lat= 31.5273254°N
Lon= 94.1439442°W

PROPOSED BHL
X= 3,927,498'
Y= 730,241'
Lat= 31.5270507°N
Lon= 94.1439315°W



BHL

TWO: 13,560.84

mo: 18905.0

**from surf loc: 5612.91 S
549.55 E**

SPERRY DRILLING JOB NO. **79091003**
DATE SURVEYED **03-26-2011**
SURVEYED FROM **12636 TO 18905**
TIE-ON COORDINATES FROM **12420**
BHL AT **18910** FT. (MD) = **5704.64** FT.
AT **174.74** * **610**
FROM SURFACE LOCATION **SE** LEASE LINE
BHL = TO