

API No. <u>42-461-10599</u> Drilling Permit # <u>727915</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. 895060		2. Operator's Name (as shown on form P-5, Organization Report) WALSH & WATTS, INC.		3. Operator Address (include street, city, state, zip): 1111 7TH STREET WICHITA FALLS, TX 76301			
4. Lease Name SOUTHWEST MCELROY UNIT		5. Well No. 38					
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 checked="" type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input 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 3250		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 7C		12. County UPTON		13. Surface Location <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore </div>			
14. This well is to be located <u>5</u> miles in a <u>SE</u> direction from <u>CRANE</u> which is the nearest town in the county of the well site.							
15. Section 4		16. Block X		17. Survey GIBSON, J H/KUELPS, W		18. Abstract No. A-939	
				19. Distance to nearest lease line: 1120 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1080	
21. Lease Perpendiculars: <u>1120</u> ft from the <u>N</u> line and <u>1320</u> ft from the <u>E</u> line. 22. Survey Perpendiculars: <u>1120</u> ft from the <u>N</u> line and <u>1320</u> ft from the <u>W</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	59337001	MCELROY		Oil Well	2955	660.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [FILER Nov 8, 2011 2:27 PM]: CONVERT FROM WIW TO OIL PRODUCTION. (PERMIT F1462 GRANTED 9/18/2001); [RRC STAFF Nov 17, 2011 8:56 AM]: Revised plat attached.; [RRC STAFF Nov 17, 2011 8:56 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Nov 17, 2011 8:56 AM]: 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>Nov 08, 2011</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="text-align: center;"> Phone _____ </div> <div style="text-align: center;"> E-mail Address (OPTIONAL) _____ </div> </div>			
RRC Use Only <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Data Validation Time Stamp: Nov 17, 2011 12:35 PM('As Approved' Version) </div>							

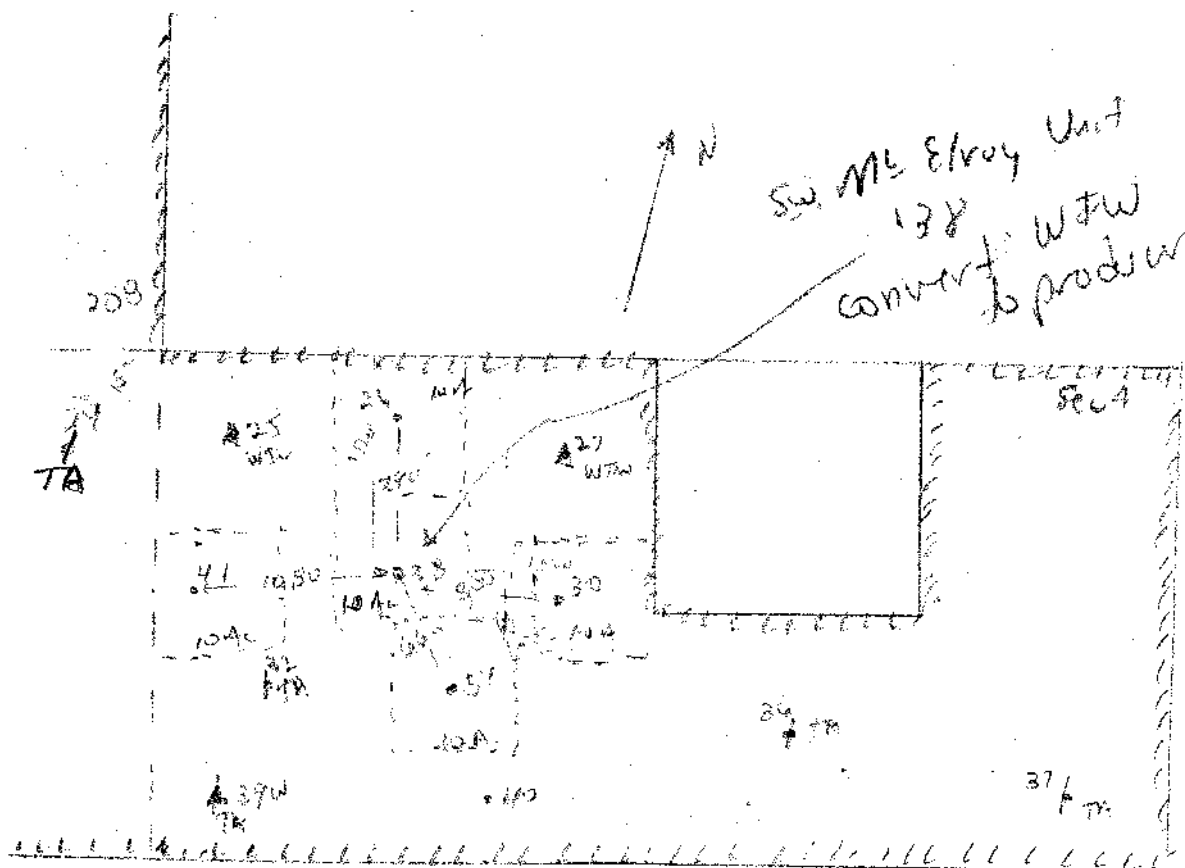
Walsh & Watts

Southwest McElroy Unit #38

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RRC OF TEXAS

NOV 07 2011

OIL & GAS DIVISION
AUSTIN, TX



Block 38
J.H. Gibson Survey
Upton Co. TX

1" = 100'

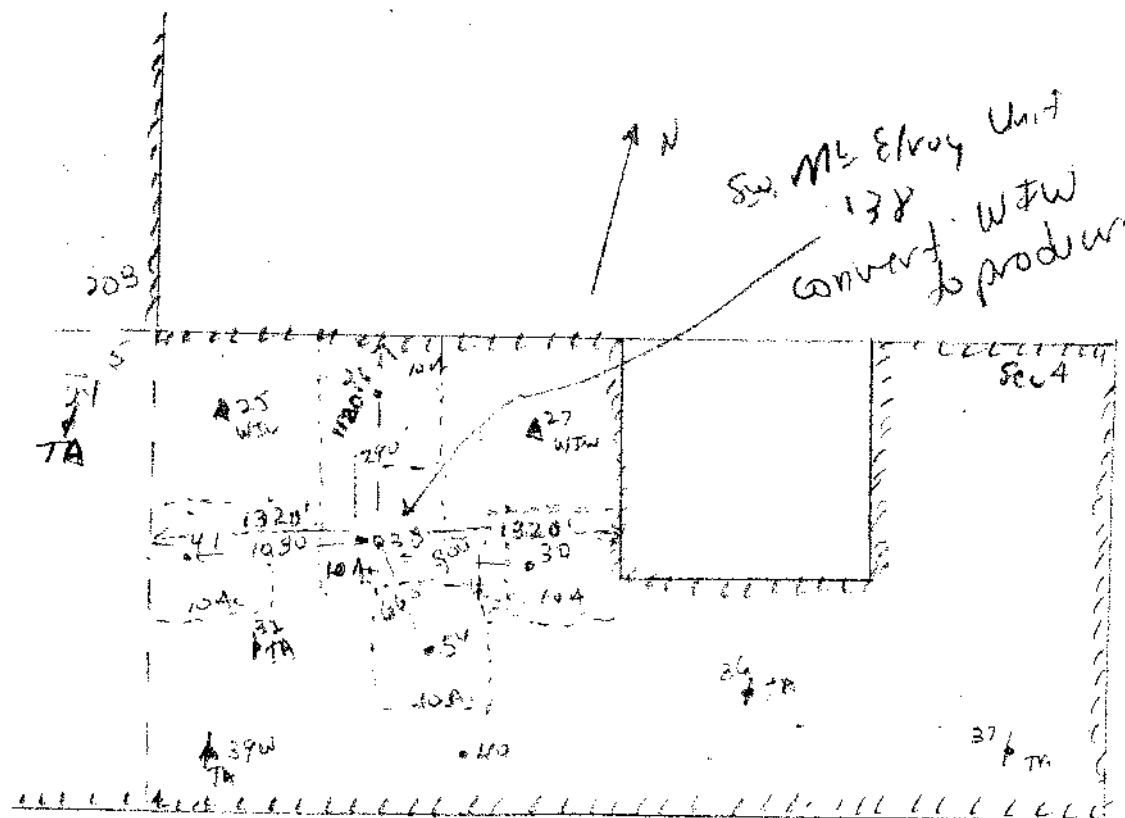
RRC Dist # 8

Walsh & Watts
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