

API No. <u>42-221-31082</u> Drilling Permit # <u>612673</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>
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1. RRC Operator No. <b>904694</b>	2. Operator's Name (as shown on form P-5, Organization Report) <b>WEC, INC.</b>	3. Operator Address (include street, city, state, zip): <b>5265 EAST HWY 377 GRANBURY, TX 76049</b>
4. Lease Name <b>ACTON SWD</b>		5. Well No. <b>1</b>

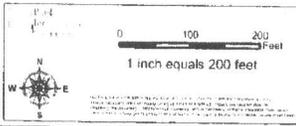
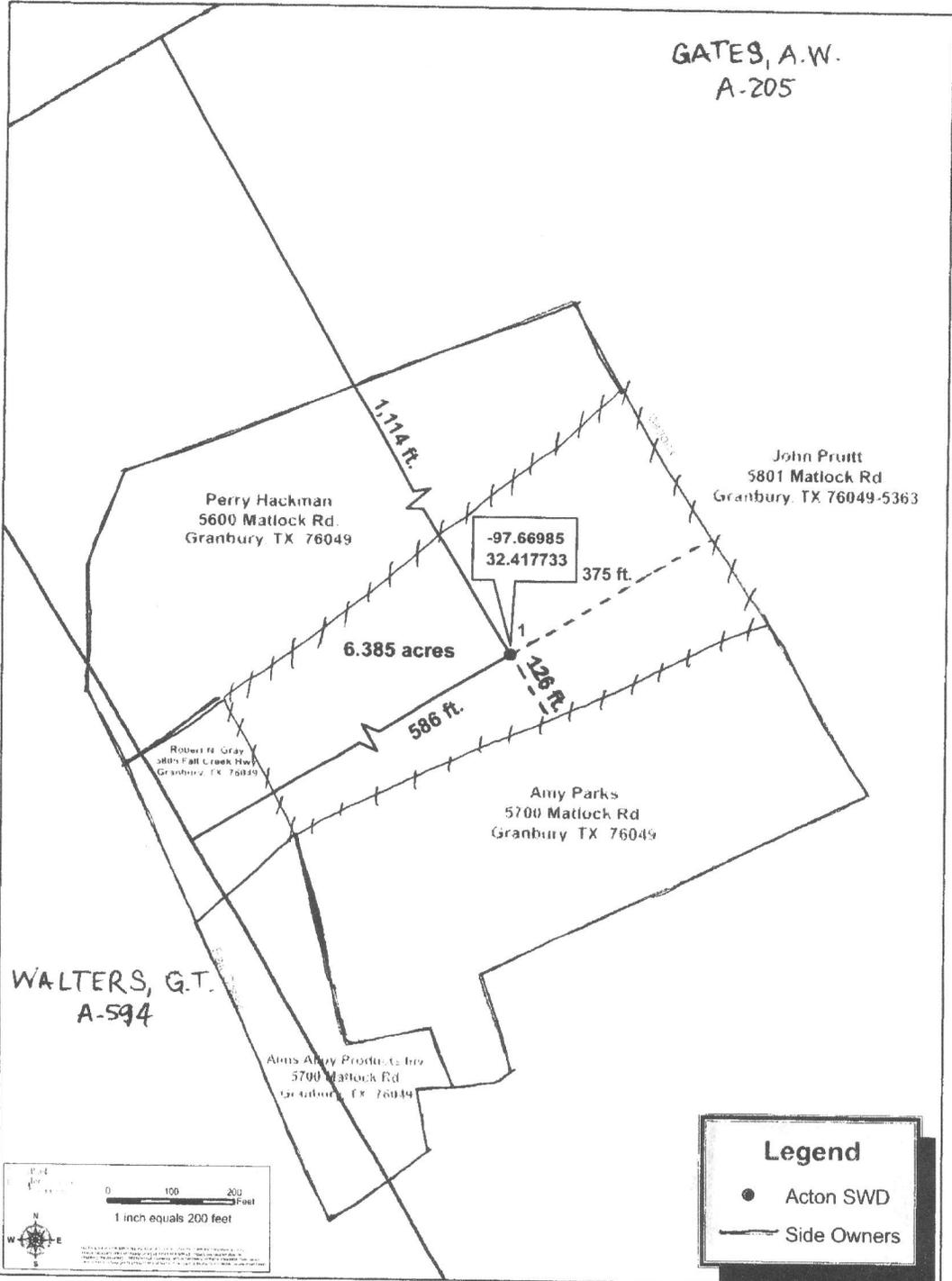
<b>GENERAL INFORMATION</b>					
6. Purpose of filing (mark ALL appropriate boxes):					
<input checked="" type="checkbox"/> New Drill	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Reclass	<input type="checkbox"/> Field Transfer	<input type="checkbox"/> Re-Enter	
<input checked="" type="checkbox"/> Amended	<input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)				
7. Wellbore Profile (mark ALL appropriate boxes):					
<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		
8. Total Depth <b>10000</b>	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. <b>7B</b>	12. County <b>HOOD</b>		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>2.9</u> miles in a <u>NW</u> direction from <u>ACTON</u> which is the nearest town in the county of the well site.					
15. Section	16. Block	17. Survey <b>GATES, A W</b>	18. Abstract No. <b>A-205</b>	19. Distance to nearest lease line: <b>126</b> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>6.39</b>
21. Lease Perpendiculars: <u>126</u> ft from the <u>SE</u> line and <u>375</u> ft from the <u>NE</u> line.					
22. Survey Perpendiculars: <u>586</u> ft from the <u>SW</u> line and <u>1114</u> ft from the <u>NW</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
09	65280200	NEWARK, EAST (BARNETT SHALE)	Injection Well	10000	0.00	1

<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>	
<b>Remarks</b> [FILER Jun 27, 2007 2:01 PM]: AMEND OPERATOR.	<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;"> <span><u>&lt; Walk in Application &gt;</u> Name of filer</span> <span><u>Jun 27, 2007</u> Date submitted</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span>Phone _____</span> <span>E-mail Address (OPTIONAL) _____</span> </div>
<b>RRC Use Only</b> Data Validation Time Stamp: Jul 10, 2007 4:08 PM('As Approved' Version)	

GATES, A.W.  
A-205



**Legend**

- Acton SWD
- Side Owners

**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>612673</b>	DATE PERMIT ISSUED OR AMENDED (AMENDED) <b>Jul 10, 2007</b>	DISTRICT <b>* 7B</b>
API NUMBER <b>42-221-31082</b>	FORM W-1 RECEIVED <b>Jun 27, 2007</b>	COUNTY <b>HOOD</b>
TYPE OF OPERATION <b>NEW DRILL</b>	WELLBORE PROFILE(S) <b>Vertical</b>	ACRES <b>6.39</b>
OPERATOR <b>WEC, INC. 5265 EAST HWY 377 GRANBURY, TX 76049</b>		904694 <b>NOTICE</b> 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: (940) 723-2153</b>
LEASE NAME <b>ACTON SWD</b>		WELL NUMBER <b>1</b>
LOCATION <b>2.9 miles NW direction from ACTON</b>		TOTAL DEPTH <b>10000</b>
Section, Block and/or Survey SECTION ◀ BLOCK ◀ ABSTRACT ◀ <b>205</b> SURVEY ◀ <b>GATES, A W</b>		
DISTANCE TO SURVEY LINES <b>586 ft. SW 1114 ft. NW</b>		DISTANCE TO NEAREST LEASE LINE <b>126 ft.</b>
DISTANCE TO LEASE LINES <b>126 ft. SE 375 ft. NE</b>		DISTANCE TO NEAREST WELL ON LEASE <b>See FIELD(s) Below</b>
FIELD(s) and LIMITATIONS:  <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WELL
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<b>NEWARK, EAST (BARNETT SHALE)</b>	<b>6.39</b>	<b>10,000</b>
<b>ACTON SWD</b>	<b>126</b>	<b>1 09</b>
RESTRICTIONS: Do not use this well for injection/disposal/hydrocarbon storage purposes without approval by the Environmental Services section of the Railroad Commission, Austin, Texas office.		
<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>		

Enter if Assigned: API No.: 42- <u>221-31082</u>		RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION		FORM W-1 EFF 10/04 EAG0604		
Drilling Permit No.: <u>612673</u>		APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER		Drilling Permit Fee Based on Depth: 0-2000' \$200    2001-4000' \$225 4001-8000' \$250    8000'- \$300 Expedited Service Fee: ADD \$150 Rule 37/38 Exception Fee ADD \$200		
Rule 37/38 Case No.: _____				RECEIVED RRC OF TEXAS JUN 28 2007 INFORMATION SERVICES AUSTIN TX		
1. RRC Operator No.: <u>904694</u>	2. Operator's Name (as shown on P-5, Organization Report): <u>WEC, INC.</u>	3. Operator Address (include street, city, state and zip): <u>5265 EAST HIGHWAY 377 CRANEBOURY, TX 76049</u>				
4. Lease Name: <u>ACTION SMD</u>		5. Well No.: <u>1</u>				
<b>GENERAL INFORMATION</b>						
6. Purpose of Filing (Mark ALL appropriate boxes): <input type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-enter <input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (Mark ALL appropriate boxes): <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						
8. Total Vertical Depth: <u>10,000'</u>		9. Do you have the right to develop 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>7B</u>		12. County: <u>HOOD</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>2.9</u> miles in a <u>NORTHWEST</u> direction from <u>ACTION, TEXAS</u> , which is the nearest town in the county.						
15. Section:	16. Block:	17. Survey: <u>GATES, A. W.</u>	18. Abstract No.: <u>205</u>	19. Distance to nearest lease line: <u>126</u>	20. Number of contiguous acres in lease, pooled unit or unitized tract: <u>6.385</u>	
21. Lease Perpendiculars <u>126</u> ft. from the <u>SE</u> line and <u>375</u> ft. from the <u>NE</u> line.						
22. Survey Perpendiculars <u>586</u> ft. from the <u>SW</u> line and <u>1,114</u> ft. from the <u>NW</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</b> List all fields of anticipated completion including Wildcat. List one zone per line. Attach an additional Form W-1 if you require more space.						
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 Lease & Reservoir	32. No. of Wells on this Lease in this Reservoir
<u>09</u>	<u>65280200</u>	<u>NEWARK, EAST (BARNETT SHALE)</u>	<u>I</u>	<u>10,000</u>	<u>N/A</u>	<u>1</u>
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS - Attach FORM W-1D/FORM W-1H as appropriate</b>						
Remarks: <u>AMENDING OPERATOR</u>		<b>CERTIFICATE:</b> I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge.				
<u>1020347</u> <b>Walk Through</b>		<u>BLECKLEY, J. B.</u> Name of Representative (Print)		<u>06.26.2007</u> Date (mm/dd/yy)		
		<u>512.478.0059</u> Telephone (AC and number)		<u>jbleckley@banksinfo.com</u> E-mail Address (OPTIONAL - If provided, e-mail address will become part of this public record)		
RRC Use only						