

API No. <u>42-003-01639</u> Drilling Permit # <u>733407</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. 019752		2. Operator's Name (as shown on form P-5, Organization Report) AMERICO ENERGY RESOURCES, LLC		3. Operator Address (include street, city, state, zip):			
4. Lease Name STATE MMM		5. Well No. 1					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): <input type="checkbox"/> New Drill <input checked="" type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input 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 12600		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. 08		12. County ANDREWS		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>10.9</u> miles in a <u>SW</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.							
15. Section 20	16. Block 9	17. Survey UL		18. Abstract No. A-	19. Distance to nearest lease line: 661 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 160.8	
21. Lease Perpendiculars: <u>750</u> ft from the <u>NORTH</u> line and <u>1979</u> ft from the <u>WEST</u> line. 22. Survey Perpendiculars: <u>1890</u> ft from the <u>SOUTH</u> line and <u>661</u> ft from the <u>EAST</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	28899249	EMMA (ELLENBURGER)		Oil Well	12500	1233.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [RRC STAFF Feb 10, 2012 11:52 AM]: Built 12/1/98; surface location moved; plat dated 7/13/11; reliability 50 in GIS; well shows to be on schedule and producing.; [RRC STAFF Feb 17, 2012 12:19 PM]: Moved SHL per filing.				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;"> <div> <u>Ehsan Bayat, Regulatory Analyst</u> Name of filer </div> <div> <u>Feb 07, 2012</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(713)984-9700, x112</u> Phone </div> <div> <u>ehsan.bayat@americoenergy.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only				Data Validation Time Stamp: Feb 20, 2012 12:25 PM(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 733407	DATE PERMIT ISSUED OR AMENDED Feb 17, 2012	DISTRICT * 08		
API NUMBER 42-003-01639	FORM W-1 RECEIVED Feb 07, 2012	COUNTY ANDREWS		
TYPE OF OPERATION RECOMPLETION	WELLBORE PROFILE(S) Vertical	ACRES 160.8		
OPERATOR AMERICO ENERGY RESOURCES, LLC		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 STATE MMM		WELL NUMBER 1		
LOCATION 10.9 miles SW direction from ANDREWS		TOTAL DEPTH 12600		
Section, Block and/or Survey SECTION 20 BLOCK 9 ABSTRACT SURVEY UL				
DISTANCE TO SURVEY LINES 1890 ft. SOUTH 661 ft. EAST		DISTANCE TO NEAREST LEASE LINE 661 ft.		
DISTANCE TO LEASE LINES 750 ft. NORTH 1979 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST
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EMMA (ELLENBURGER)	160.80	12,500	1	08
STATE MMM	661		1233	
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.				
<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>				

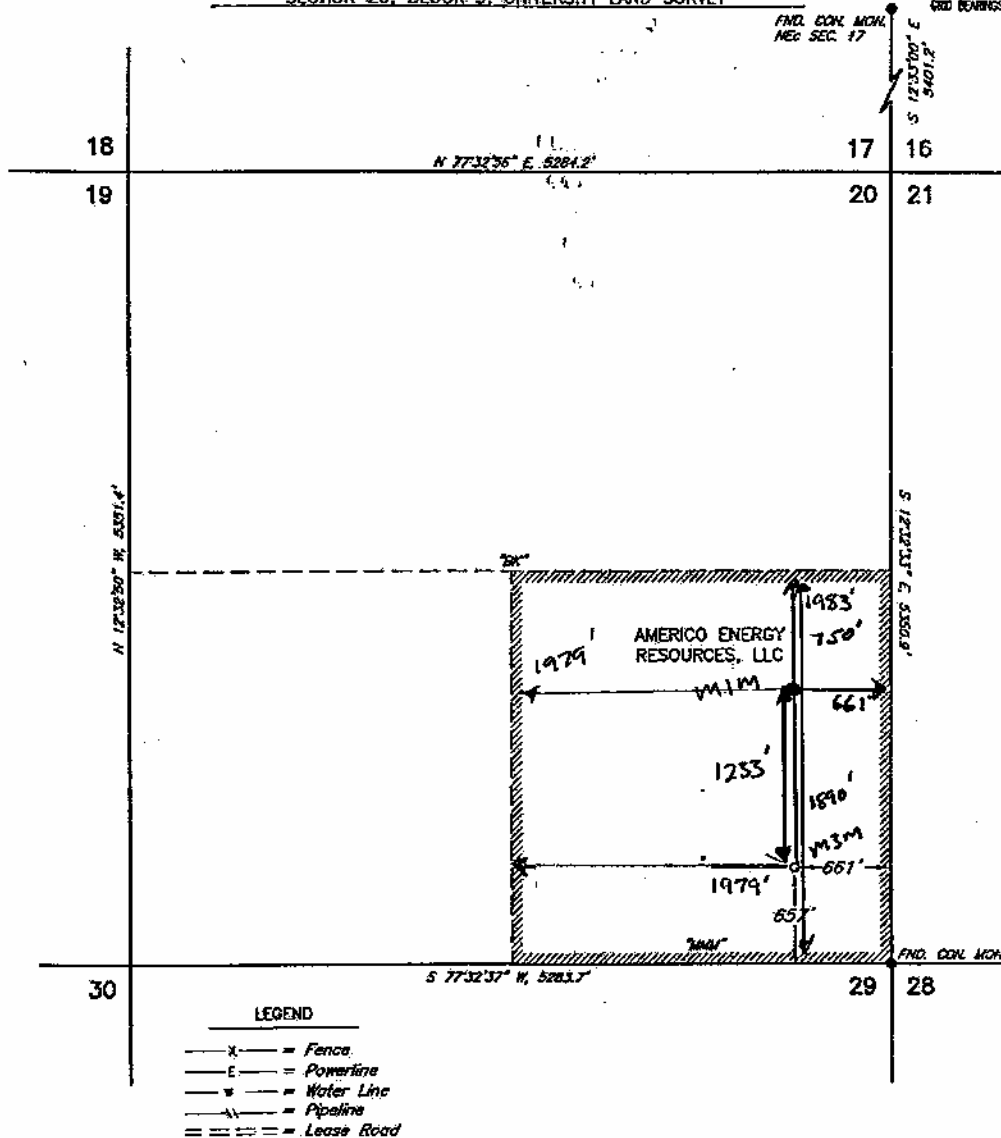
TOPOGRAPHIC

SURVEYING • MAPPING • GIS • GPS
2903 N. BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 (800) 767-1653 • FAX (432) 682-1743

ANDREWS County, Texas

Description 189' FSL & 661' FEL

SECTION 20, BLOCK 9, UNIVERSITY LAND SURVEY



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us. This plot does not in any way represent a 'Boundary Survey', and does not comply with current L&P's Minimum Standards of Procedures for Boundary Surveys.

SCALE: 1" = 1000'
0' 500' 1000'

Operator AMERICO ENERGY RESOURCES, LLC Date Staked JULY 13, 2011

Lease Name & Well No. STATE MMM I Ground Elev. 3176'

Topography & Vegetation NATURAL GRASS PASTURE

Nearest Town in County ±10.9 MILES SOUTHWEST OF ANDREWS, TEXAS



CERTIFICATION:

I, William J. Keating, a Registered Professional Land Surveyor, and an authorized agent of Topographic Land Surveyors, do hereby certify that in my professional opinion the above described well location was surveyed and staked on the ground as shown. This plot is for Texas Railroad Commission permitting only.

William J. Keating
Texas R.P.L.S. No. 5041

Invoice # LO STATE MMM
B.S.K./725NE