Arkansas Oil & Gas Commission

Permit to Drill

Date: **September 9, 2005**

Permit Number: **38,406**

API Number: **03 141 10,035**

SEECO, Inc.
P.O. Box 13408
Fayetteville, AR 72703-1004

You are hereby authorized to drill the **Evans 2-32-H**
in accordance with the provisions outlined within the Notice of Intent to Drill filed on behalf of
SEECO, Inc. and the rules and regulations of the Arkansas Oil and Gas Commission.

The **Evans 2-32-H** is located at:

(SHL) 940' F S L & 400' F E L Sec. **32** Twn. **10N** Rge. **15W**

Wildcat Field **Van Buren** County, AR.

All completion and / or abandonment reports are required to be filed within five (5) days of cessation of work unless permission in writing is obtained from the Oil & Gas Commission.

This Permit to Drill will terminate on **March 7, 2006** unless drilling has commenced.
Permits are non-transferable.

This permit issued is an:

Original **X** Amendment _____ Renewal _____ Re-entry _____

Remarks: **Drilling unit not established by commission order**
Directional survey required

Arkansas Oil & Gas Commission

2215 West Hillsboro • P. O. Box 1472 • El Dorado, Arkansas 71731-1472
Phone: (870) 862-4965 • FAX Number: (870) 862-8823 • E-Mail: aogc@aogc.state.ar.us

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AOGC Form

ARKANSAS OIL AND GAS COMMISSION
2215 West Hillsboro P.O. Box 1472
El Dorado, Arkansas 71731-1472

Permit No. 38,406 03 141 10,035

COPY

Notice of Intention to Drill For Oil or Gas

(This application to drill must be accompanied by a remittance of $300.00)

Date Issued 9-9-05

Expiration Date 3-7-06 Date **September 2, 2005**

Name of Operator SEECO, INC.

Send Permit to: Street **P.O. Box 13408**

City **Fayetteville** State **AR** Zip **72703-1004**

E-Mail Judi_Perkins@swn.com Phone **479.521.8507** Fax **479.684.8715**

Well Name **Evans** Well No. **2-32 H**

Acres In Lease **80** Drilling Unit **640**

Description of Drilling Unit **Section 32 - Township 10N - Range 15W**

Description of Unit Subdivision (if applicable) **N/A**

Location of proposed well from nearest drilling unit or unit subdivision (if applicable) boundaries - **Must agree with Surveyor's Plat**

(SHL) **940' FSL & 400' FEL** (PBHL) **2380' FSL & 2897' FEL**

Location of proposed well from nearest section lines - **Must agree with Surveyor's Plat**

(SHL) **940' FSL & 400' FEL** (PBHL) **2380' FSL & 2897' FEL**

Section **32** Township **10N** Range **15W**

County VAN BUREN Field WILDCAT

Distance and direction from nearest town **Approx. 2.5 miles East of Beverage Town, AR**

Distance and direction from proposed location to nearest drilling, completed or applied for well AW 9-19-05 KH 9-13-05

SHL approx. 1508' South of SEECO Evans #1-32 H SHL

Date work will start **December, 2005** Depth to be drilled **2800' TVD, 5600' MD**

Name of drilling or workover contractor **Nabors**

Formation you propose to complete in **Fayetteville Shale**

If exceptional location, indicate Order Reference Number

Purpose of Form 2 Original ◉ Amendment ○ Renewal ○ Re-entry ○

Remarks: [illegible]

CERTIFICATE

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge is true, correct and complete.

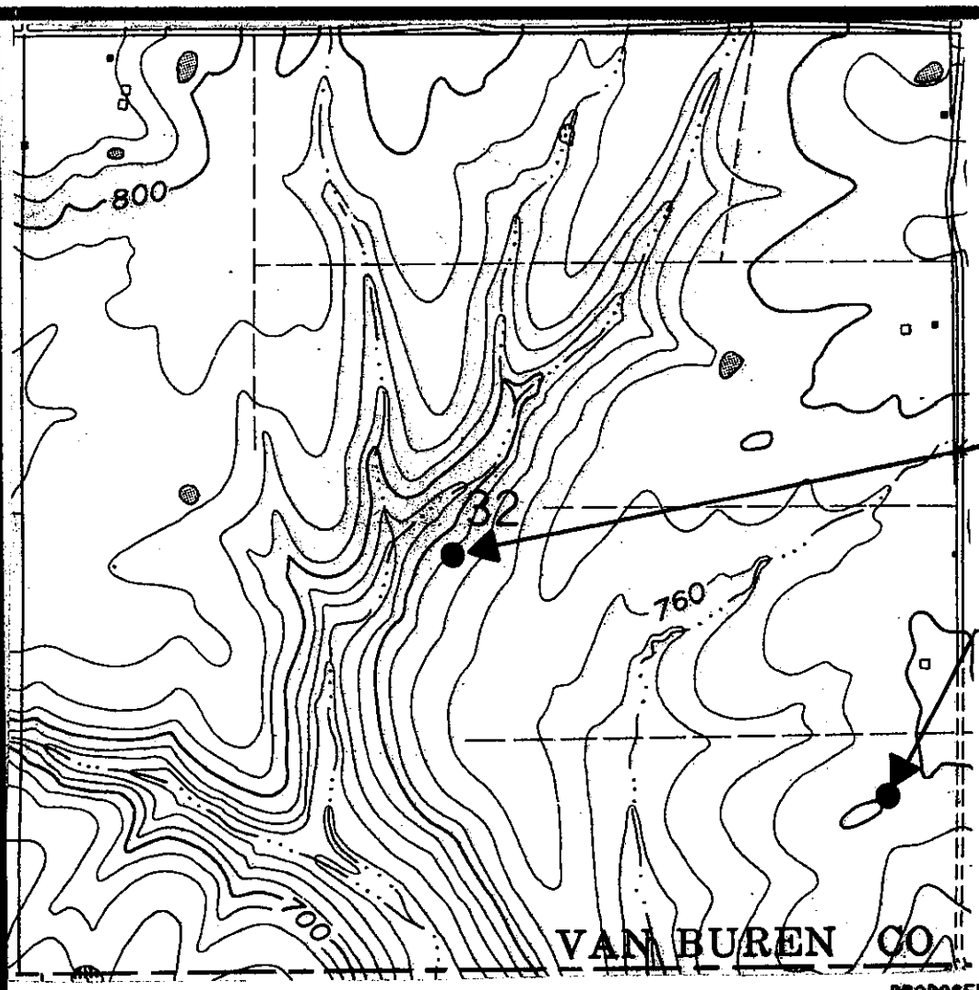
200'
9-9-05
RR

Judi Perkins — Signature | **SR Prod Analyst** — Title | **9/2/2005** — Date

Judi Perkins
Typed or Clearly Printed Name

See Instructions on Reverse Side

Revised 4/03



PROPOSED BOTTOM LOCATION

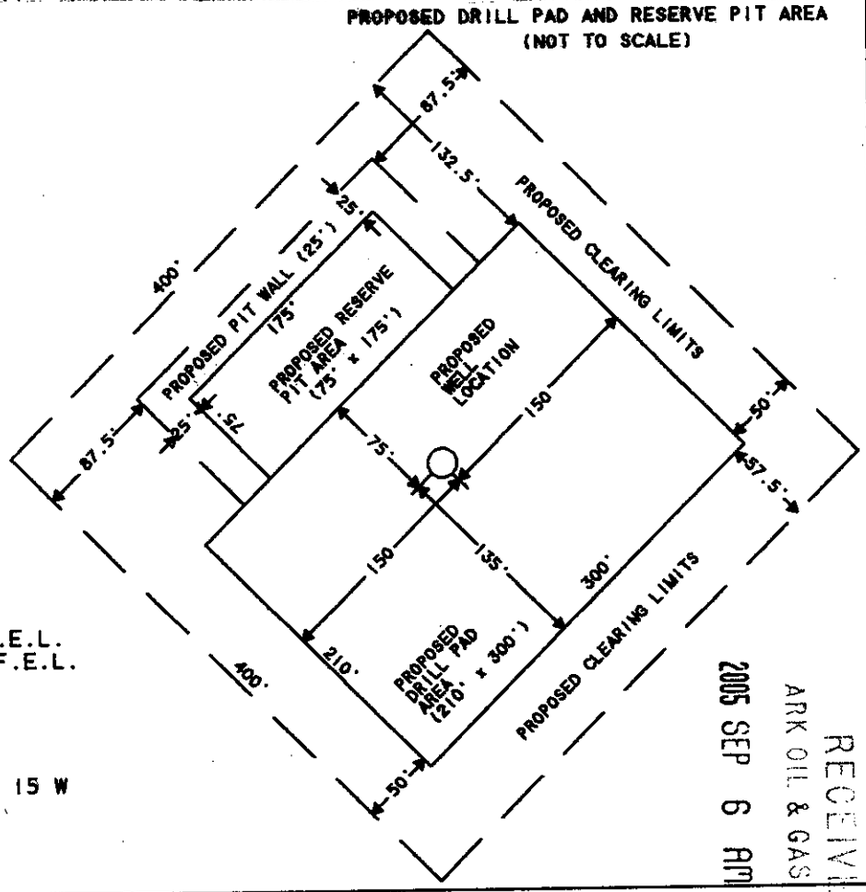
PROPOSED SURFACE LOCATION

FORMOSA, AR
35092-D5-TF-024
1991
DMA 7454 I NE-SERIES V884

QUADRANGLE LOCATION

CONTOUR INTERVAL 20 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

PROPOSED DRILL PAD AND RESERVE PIT AREA
(NOT TO SCALE)



MAP: TOPOGRAPHIC MAP

OPERATOR: SEECO. INC.

WELL NAME: "EVANS #2-32-H"

COORDINATES:
SURFACE HOLE: 940' F.S.L. AND 400' F.E.L.
BOTTOM HOLE: 2380' F.S.L. AND 2847' F.E.L.

LATITUDE: 35.460778 N (NAD27)

LONGITUDE: 92.603889 W (NAD27)

DRILLING UNIT: SEC. 32 - T 10 N - R 15 W

COUNTY: VAN BUREN

STATE: ARKANSAS

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ARKANSAS RIVER VALLEY SURVEYING. INC.
SURVEYING THE NATURAL STATE

POST OFFICE BOX 301
ALTUS. ARKANSAS 72821-0301

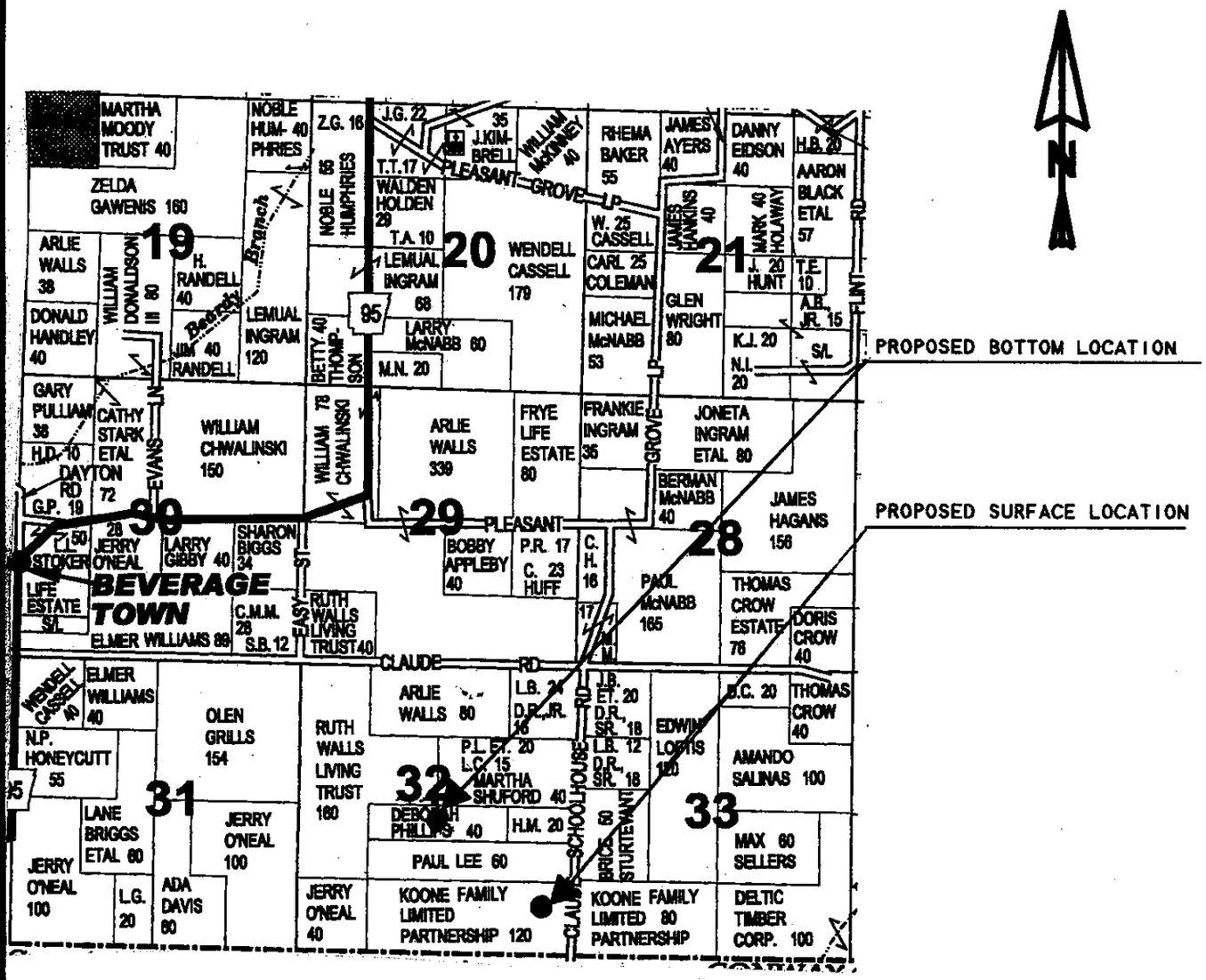
PHONE NO.: 479-468-2471
FAX NO.: 479-468-8885

VEGETATION IN AREA

1) SMALL TO MEDIUM PINES AND CEDARS
2) NO VISIBLE SURFACE ROCK
3) UNDERBRUSH

CLIENT: SEECO. INC.	JOB NO.: 5464
LEGAL: SEC. 32 - T 10 N - R 15 W	
WELL NAME: "EVANS #2-32-H"	
COUNTY: VAN BUREN	DATE: 08/23/05

1000 500 0 1000
SCALE: 1" = 1000'



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MAP: GENERAL HIGHWAY MAP

OPERATOR: SEECO, INC.

WELL NAME: "EVANS #2-32-H"

COORDINATES:
SURFACE HOLE: 940' F.S.L. AND 400' F.E.L.
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COUNTY: VAN BUREN

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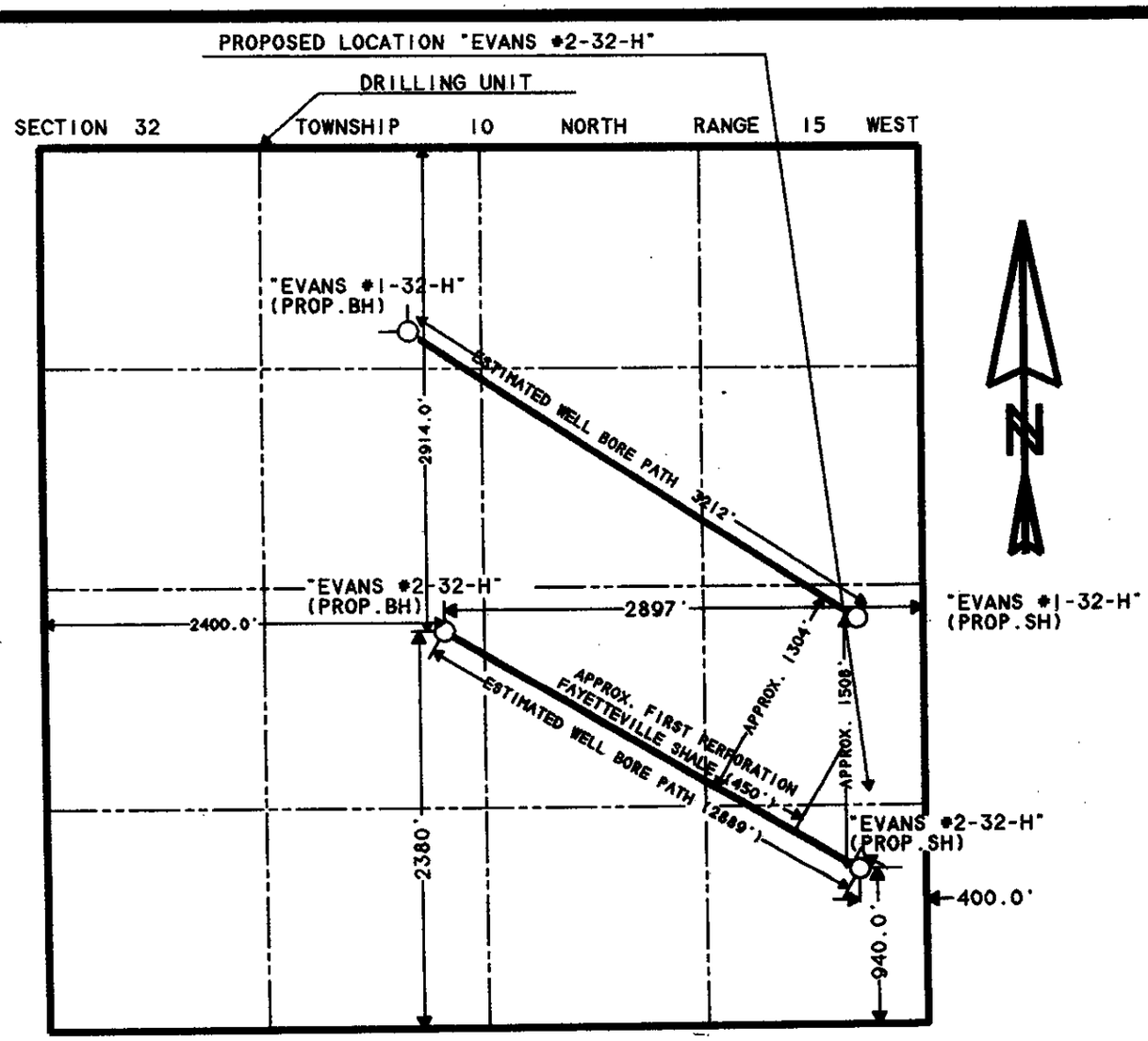
DRIVING DIRECTIONS TO WELL SITE:

FROM THE INTERSECTION OF STATE HIGHWAY 95 AND AND STATE HWY 124 TRAVEL NORTH ON HIGHWAY 95 7.3 MILES TO THE INTERSECTION OF HIGHWAY 95 AND CLAUDE ROAD. TRAVEL EAST ON CLAUDE ROAD 2.0 MILES TO THE INTERSECTION OF CLAUDE AND CLAUDE SCHOOL HOUSE ROAD. TRAVEL SOUTH ON CLAUDE SCHOOL HOUSE ROAD .75 MILES. WELL LOCATION IS APPROX. 420 FEET WEST OF ROAD.

CLIENT: SEECO, INC.	JOB NO.: 5464
LEGAL: SEC. 32 - T 10 N - R 15 W	
WELL NAME: "EVANS #2-32-H"	
COUNTY: VAN BUREN	DATE: 08/23/05

NOT TO SCALE



MAP: GENERAL VICINITY MAP

COUNTY: VAN BUREN STATE: ARKANSAS

OPERATOR: SEECO. INC.

WELL NAME: "EVANS #2-32-H"

COORDINATES:
SURFACE HOLE: 940 FEET FROM THE SOUTH LINE AND 400 FEET FROM THE EAST LINE.
BOTTOM HOLE: 2380 FEET FROM THE SOUTH LINE AND 2897 FEET FROM THE EAST LINE.

GROUND ELEVATION: 798.0 M.S.L.

LATITUDE: 35.460778 N (NAD 27) LONGITUDE: 92.603889 W (NAD 27)

STATE PLANE GRID COORDINATES: N 410907.317 E 1820162.277 (NAD 27 NORTH ZONE)

DRILLING UNIT: SECTION 32 - TOWNSHIP 10 NORTH - RANGE 15 WEST.

I HEREBY CERTIFY THAT THE ABOVE LOCATION IS CORRECT AS SHOWN ON THE DAY STAKED AND THAT ALL REASONABLY VISIBLE IMPROVEMENTS ARE SHOWN. NO SUB-SURFACE INVESTIGATION WAS PERFORMED AND NO CERTIFICATION IS MADE TO THE EXISTENCE OR NON-EXISTENCE OF ANYTHING THAT A SUB-SURFACE INVESTIGATION MAY FIND. ARKANSAS ONE-CALL SYSTEM SHOULD BE UTILIZED BEFORE CONSTRUCTION BEGINS.

REGISTERED STATE OF ARKANSAS NO. 1367 SIGNATURE DAVID W. McELROY JR. PROFESSIONAL LAND SURVEYOR

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ARKANSAS RIVER VALLEY SURVEYING, INC.

SURVEYING THE NATURAL STATE

POST OFFICE BOX 301
ALTUS, ARKANSAS 72821-0301

PHONE NO.: 479-468-2471
FAX NO.: 479-468-8885

LEGEND

○ - PROPOSED SURFACE HOLE (PROP.SH)
○ - PROPOSED BOTTOM HOLE (PROP.BH)

CLIENT: SEECO, INC.	JOB NO.: 5464
LEGAL: SEC. 32 - T 10 N - R 15 W	WELL NAME: "EVANS #2-32-H"
BASIS OF BEARING: ASSUMED ON WEST LINE OF SECTION	DATE: 08/23/05
BASIS OF SURVEY: SECTION SUBDIVISION	DRAWN BY: SAM WILCOX

1000 500 0 1000

SCALE: 1" = 1000'

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2005 SEP 6 AM 9 49

STATE OF ARKANSAS)
)
COUNTY OF WASHINGTON)

AFFIDAVIT

I, the undersigned, being first duly sworn, do state under oath that in my capacity as Vice President of SEECO, that SEECO owns assets within the State of Arkansas in excess of its liabilities in an amount sufficient to enable it to comply fully with Act 902 of 1983, as amended by Act 559 of 1985, Act 559 of 1991 & Order Reference Number 4-99, of the State of Arkansas as by law required.

This Affidavit of Financial Responsibility is made and executed for filing with the Arkansas Oil and Gas Commission in conformity with Rule B-2 of the General Rules and Regulations of said Commission.

Further affiant saith not.

John D. Thaeler

SUBSCRIBED AND SWORN TO before me, the undersigned NOTARY PUBLIC, on this the 2 day of September, 2005.

OFFICIAL SEAL
TRINDA M. WOOD
NOTARY PUBLIC-ARKANSAS
WASHINGTON COUNTY
MY COMMISSION EXPIRES: 05-16-14

Trinda M. Wood
Notary Public

Arkansas Department of Health and Human Services

Division of Health

Paul K. Halverson, DrPH, Director

P.O. Box 1437, Slot H-37 Little Rock, AR 72203-1437 • 501-661-2623 • TDD: 1-800-234-4399

September 19, 2005

Ms. Carrie Dunkel
SEECO, Inc.
P.O. Box 13408
Fayetteville, AR 72703-1004

RE: Authorization #05263 to construct and Operate a Reserve Pit During the Drilling of the Evans #2-32 H well, S32-T10N-R15W, Van Buren County Arkansas

Dear Ms. Dunkel:

Having reviewed the above referenced projects, we have determined that the proposed oil / gas well sites do not appear to be in the watershed of a current public drinking water supply. The use of a pit liner is your prerogative.

The bentonite seal method is acceptable to use as a pit liner.

Should you have questions or need additional information, please feel free to contact me at 501-661-2067

Sincerely,

Gerry T. Conley
Source Protection Environmental Specialist
Engineering Section

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LG:GC:gc

cc: Linda Hanson, Permits Branch, ADEQ, P.O. Box 8913, Little Rock, AR 72219-8913
Arkansas Oil and Gas Commission, P.O. Box 1472, El Dorado, AR 71731-1472

ARKANSAS OIL AND GAS COMMISSION

PROCEDURES AND REQUIREMENTS FOR SURFACE CASING AND PLUGGING OF WELLS

You are **REQUIRED** to set a minimum of **200** feet of surface casing on the well listed below to comply with the Minimum Casing Requirements adopted by the Arkansas Oil & Gas Commission.

SEECO, Inc.	**Evans 2-32-H**
OPERATOR	LEASE AND WELL NO.

You are **required** to notify a Commission representative prior to cementing surface pipe. **All** cementing will be done by the pump and plug method and will be circulated to the surface.

In the event that the well is to be abandoned, the Commission must be notified in ample time for a representative of the Commission to be present to witness the plugging of the well. All wells will be plugged in accordance with **Rules B-7 & B-8** of the General Rules and Regulations.

For the industry's convenience, a representative of The Arkansas Oil & Gas Commission is on 24-hour call and can be contacted at 3309 Phoenix Avenue, Fort Smith, Arkansas 72903 or by phone at **(479) 646-6611**.

NOTE: The **Arkansas Department of Environmental Quality (ADEQ)** requires each Operator to receive a *Letter of Authorization* prior to commencing reserve pit construction. Contact ADEQ State Permits Branch at (501) 682-0648 for authorization guidelines.