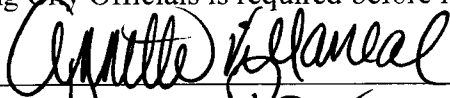
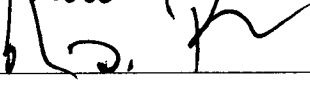
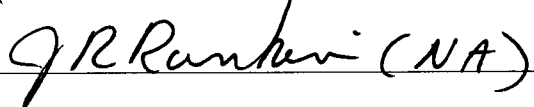
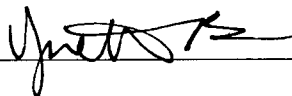


CITY OF MCALLEN
REQUEST FOR OIL OR GAS DRILLING PERMIT
DATE: March 5, 2009

1. Company submitting Request: SWEPI, LP, dba SHELL WESTERN E&P
2. Address: 200 North Dairy Ashford
3. City/State: Houston, Texas 77079-1101
4. Legal and Geographic Description of Drilling Site: Bales Unit #7 Well
Surface Location: 442 feet from the south line, 467 feet from the east line of Lot 2, Block 16, Steele & Pershing Subdivision, Drilling Block #236, City of McAllen, Hidalgo County, Texas.
Bottomhole Location: approximately 2,086 feet southwest of the surface location, being 610 feet from the north line and 391 feet from the west line of Lot 4, Block 16, Steele & Pershing Subdivision, Drilling Block #287, City of McAllen, Hidalgo County, Texas.
5. The following requirements have been satisfied:
 - A. Drilling Permit Fee submitted to City Secretary in the amount of \$2,500.00.
 - B. Performance Bond, (clean-up, repairs & replacement) in amount of \$25,000.00.
 - C. Insurance as per Drilling Ordinance:

Public Liability - Occurrence	\$1,000,000
Combined Single Limit (B.I./P.D.)	
6. See Exhibit "A" for other requirements.
7. Approval of the following City Officials is required before issuance of permit:
 - A) City Secretary: 
 - B) City Attorney: 
 - C) Director of Planning:  (NA)
(Special Use Permit)
 - D) City Engineer: 
 - E) City Commission Approval: March 23, 2009