

CITY OF MCALLEN
REQUEST FOR OIL OR GAS DRILLING PERMIT
DATE: October 30, 2007

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: McAllen Fieldwide Unit #84 ST#2 Well
Surface Location: 519 feet from the south line, 717.0 feet from the west line of Lot 16, in the Southeast Quarter (SE/4) of Block 8, of the Hidalgo Canal Company Subdivision, Drilling Block #81, City of McAllen, Hidalgo County, Texas.
Bottomhole Location: approximately 3,979 feet northwest of the surface location, being 607 feet from the west line and 125 feet from the north line of Lot 6, in the Northwest Quarter (NW/4) of Block 8, Hidalgo Canal Company Subdivision, Drilling Block #12, 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: Annitta Villanueva
- B) City Attorney: Amor Cal
- C) Director of Planning: J R Parkin N/A SUP
(Special Use Permit)
- D) City Engineer: Yvette B
- E) City Commission Approval: November 12, 2007