



Subject: Exploratory Drilling
Time Period: Last 12 Months
Region: Southern
County: Not Available
Date: 29 Oct 2009
Company: WELDER EXPLORATION & PRODUCTION INC
Title: Apparent Yegua test staked by Welder in Bee County

In the western portion of Bee County (RRC Dist. 2), an exploratory test has been scheduled by San Antonio-based Welder Exploration & Production Inc about two miles southwest of Beeville.

With an apparent objective in the Yegua, the 1 Goodman (API 42-025-33681) is expected to reach a total depth of 5600 ft. It is located on a 221-acre lease in section 1 BS&F survey, A-123.

Comparable recovery is about a mile to the northeast. The 1 Salazar, Simon Dowyer survey, A-22, was completed in 1985 by Flournoy Production Co flowing 32 bbls of 41-degree crude, 51,000 cu ft of casinghead gas and one bbl of water daily through fracture-stimulated perforations at 5637-47 ft in the Yegua. The only producer in Yougeen North field, the 5700-ft well yielded 738 bbls of oil and 627,000 cu ft of gas through 1986.

Welder recently permitted its 1 Young (API 42-025-33682), section 2, BS&F survey, A-466, one mile southwest of the proposed 1 Goodman. The test has a proposed total depth of 4700 ft.



