



Subject: Exploratory Drilling
Time Period: Current Period
Region: Southern
County: Not Available
Date: 3 Dec 2009
Company: WELDER EXPLORATION & PRODUCTION INC
Title: Exploratory test staked in Bee County by Welder Exploration & Production

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

With an apparent objective in the Yegua, the 1 Mabray (API 42-025-33689) is slated to reach a total depth of 5700 ft on a 176-acre lease in section 2, BS&F survey, A-466.

The operator's 1 Goodman (API 42-025-33681) offsets to the northeast in section 1, BS&F survey, A-123. It was drilled to a total depth of approximately 5606 ft and it currently waiting on completion tools with 4 1/2-inch pipe set on bottom.

Comparable recovery is another 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 is also active at its 1 Young (API 42-025-33682), section 2, BS&F survey, A-466, almost a mile southwest of the proposed 1 Mabray. Spudded late last month by Arrow Drilling Co's Rig #5, the test is expected to reach 4700 ft.

