



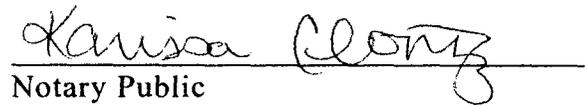
pursuant to a unit plan of development are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

  
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David J. Andrews

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF Travis            )

SUBSCRIBED AND SWORN TO before me on this 8<sup>th</sup> day of April, 2011 by David J. Andrews.

My Commission Expires: 2-3-15

  
\_\_\_\_\_  
Notary Public



South Tobac Unit Area Geological Summary:

The primary objective of the South Tobac Unit is the San Andres formation. In the South Tobac area, the San Andres is a relatively low permeability, vuggy, and sometimes fractured dolomitic reservoir. Producing fields in the area characteristically have higher than normal permeabilities, with the initial producing rates averaging approximately 20-40 barrels of oil per day, and the field margins are delineated by permeability pinchouts. The South Tobac Unit area has one producing San Andres well-the Nadel and Gussman Mohawk State #1, completed in August 2010-which has been averaging approximately 30-35 barrels of oil per day since completion. The lack of production decline due to pressure support that the well is exhibiting seems to indicate that there are additional locations within the field that can be economically drilled. Analysis of existing electrical logs in the field indicates a porosity/permeability pinchout to the west, north, and east of the Mohawk #1 as indicated on the structure map. The southern boundary of the field is unknown, but the downdip direction in the field is to the south, so it is probable that an additional permeability pinchout or an oil-water contact exists in this direction. Currently, the area within the proposed South Tobac Unit is thought to be within the producing permeable limits of the field and updip from the southern limit of the field.