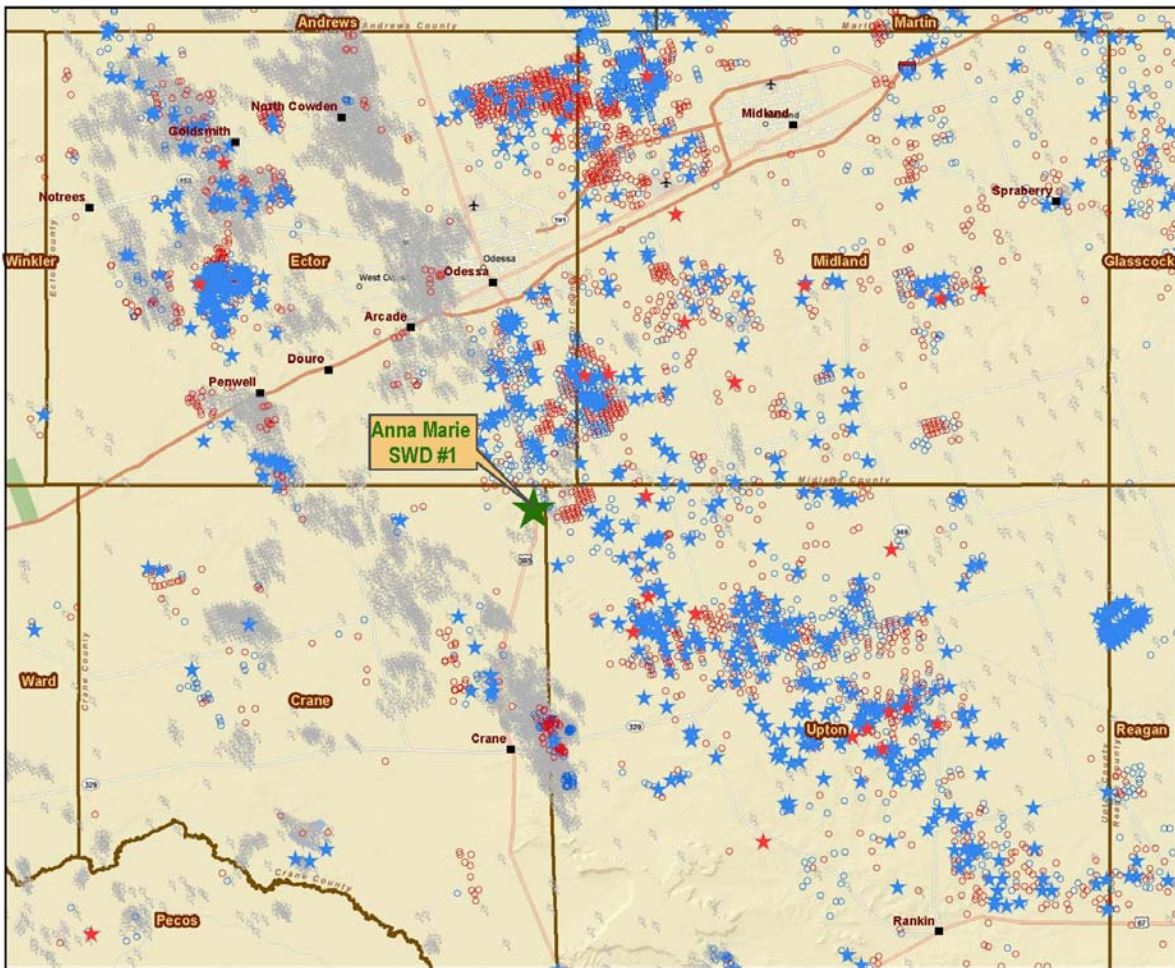


LEATHER NECK OILFIELD SERV, INC.
Commercial SWD Permit Opportunity
Permian Basin
Crane County, Texas





Executive Summary:

CAPITAL ENERGY ADVISORS, INC., hereinafter referred to as “Capital”, has been exclusively retained by LEATHER NECK OILFIELD SERV, INC., hereinafter referred to as “Seller” or “Company”, to sell a Commercial SWD Permit to Dispose of Salt Water and Other Non-Hazardous Oil and Gas, hereinafter referred to as “Asset”, located in Crane County, Texas.

No offers will be considered that are subject to further evaluation and no offers will be considered that are contingent upon financing. Seller reserves the right to negotiate with one or more prospective purchasers at any time and to reject any and all offers. All offers for the Asset are Subject to Prior Sale

Capital will manage the terms of the sale of the Asset. Field inspections are by scheduled appointment only and to be set up through Capital. No unscheduled visits will be allowed.

All communication regarding the Sale of Asset must be handled thru Capital and not Seller.

Seller wishes to sell the Asset and Lease the 3.38 acre tract of land to (1) buyer for a Commercial SWD Facility. Terms of Sale located on the following page.

All information for proper valuation regarding the Assets should be found in the following pages of this Executive Summary Document. For any further information please contact Capital.

Capital requests that all Offers for Asset and Surface Lease to be submitted thru Letter of Intent as soon as possible due Assets being Subject to Prior Sale but no later than March 1, 2012.

Sincerely,

JB Bleckley
(512)744-1800
jbleckley@capitalenergyadvisors.com

Trace Hight
(512)744-1787
tracehight@capitalenergyadvisors.com

Joe Gonzalez
(512)744-1785
joegonzalez@capitalenergyadvisors.com

Asset Highlights:

- Excellent Location for a Commercial SWD in the heart of the Wolfberry play
 - 3.38 acre tract w/ direct frontage access to US Hwy 385 – for both north and south traffic
 - Three Phase Power along US Hwy 385
 - Crane, Ector, Midland, and Upton Counties are considered four of the hottest drilling activity areas in the country
- Industry Activity Highlights
 - Within a 30 miles Radius of Asset Location and during the past year:
 - 2,891 Drilling Permits
 - 1,475 Oil Completions
 - 11 Gas Completions
 - Notable Operators Active within a 30 mile Radius of Asset Location:
 - Devon, Apache, Chevron, Burlington, XTO, Conoco Phillips
- Permit Highlights
 - UIC Permit # 104567, API# 103-00000
 - Permitted Fluids: Salt Water, and other Non Hazardous O&G Waste
 - Injection Interval of 4,200' – 9130' (Queen, San Andres, Clearfork, Wichita Albany, Wolfcamp, and Strawn formations)
 - 25,000 bpd Max Injection Volume
 - 2100 psig Max Surface Injection Pressure

Terms of Sale:

- Offers due by March 1, 2012
 - LOI not limited to but must at minimum include:
 - Total Value and Consideration for Purchase of SWD Permit (Asset)
 - Economic Terms for SWD Surface Lease to Seller
 - Timeframe from Signed LOI to a Closing
 - Timeframe from a Closing to Spud Date of SWD Well
- Seller reserves the right to negotiate with one or more prospective purchasers at any time and to reject any and all offers.
- All offers are subject to prior sale.



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

PERMIT TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL AND GAS

PROJECT NO. F-18807, COMMERCIAL

LEATHER NECK OILFIELD SERV, INC.
BOX 1143
CRANE, TX 79731

Authority is granted to inject into the well identified herein in accordance with Statewide Rule 46 of the Railroad Commission of Texas and based on the information contained in the application (Forms H-1 and H-1A) dated December 22, 2011 for the permitted interval of the Queen, San Andres, Clearfork, Wichita Albany, Wolfcamp, Strawn formations and subject to the following terms and special conditions:

Anna Marie SWD (000000) LEASE
CONCHO BLUFF, NORTH (QUEEN) FIELD
CRANE COUNTY, DISTRICT 08

WELL IDENTIFICATION AND PERMIT PARAMETERS:

Well No.	API No.	UIC Number	Permitted Fluids	Top Interval (feet)	Bottom Interval (feet)	Maximum Liquid Daily Injection Volume (BBL/day)	Maximum Gas Daily Injection Volume (MCF/day)	Maximum Surface Injection Pressure for Liquid (PSIG)	Maximum Surface Injection Pressure for Gas (PSIG)
1	10300000	000104567	Salt Water, and RCRA Exempt Waste	4200	9130	25000		2100	

STANDARD CONDITIONS:

1. Injection must be through tubing set on a packer.
2. The District Office must be notified 48 hours prior to:
 - a. running tubing and setting packer;
 - b. beginning any work over or remedial operation;
 - c. conducting any required pressure tests or surveys.
3. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.

4. Prior to beginning injection and subsequently after any work over, an annulus pressure test must be performed. The test pressure must equal the maximum authorized injection pressure or 500 psig, whichever is less, but must be at least 200 psig. The test must be performed and the results submitted in accordance with the instructions of Form H-5.
5. The injection pressure and injection volume must be monitored at least monthly and reported annually on Form H-10 to the Commission's Austin office.
6. Within 30 days after completion, conversion to disposal, or any work over which results in a change in well completion, a new Form W-2 or G-1 must be filed to show the current completion status of the well. The date of the disposal well permit and the permit number must be included on the new Form W-2 or G-1.
7. Written notice of intent to transfer the permit to another operator by filing Form P-4 must be submitted to the Commission at least 15 days prior to the date of the transfer.
8. A well herein authorized cannot be converted to a producing well and have an allowable assigned without filing an amended Form W-1 and receiving Commission approval.
9. Unless otherwise required by conditions of the permit, completion and operations of the well shall be in accordance with the information represented on the application (Forms H-1 and H-1A).
10. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission. Furthermore, permits issued for wells to be drilled will expire three (3) years from the date of the permit unless drilling operations have commenced.
11. The operator shall be responsible for complying with the following requirements so as to assure that discharges of oil and gas waste will not occur:
 - a. Prior to beginning operation, all collecting pits, skimming pits, or washout pits must be permitted under the requirements of Statewide Rule 8.
 - b. Prior to beginning operation, a catch basin constructed of concrete, steel, or fiberglass must be installed to catch oil and gas waste which may spill as a result of connecting and disconnecting hoses or other apparatus while transferring oil and gas waste from tank trucks to the disposal facility.
 - c. Prior to beginning operation, all fabricated waste storage and pretreatment facilities (tanks, separators, or flow lines) shall be constructed of steel, concrete, fiberglass, or other materials approved by the Director or Director's delegate. These facilities must be maintained so as to prevent discharges of oil and gas waste.
 - d. Prior to beginning operation, dikes shall be placed around all waste storage, pretreatment, or disposal facilities. The dikes shall be designed so as to be able to contain a volume equal to the maximum holding capacity of all such facilities. Any liquids or wastes that do accumulate in the

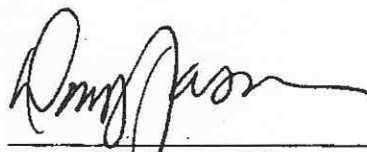
Note: This document will only be distributed electronically.

containment area shall be removed within 24 hours and disposed of in an authorized disposal facility.

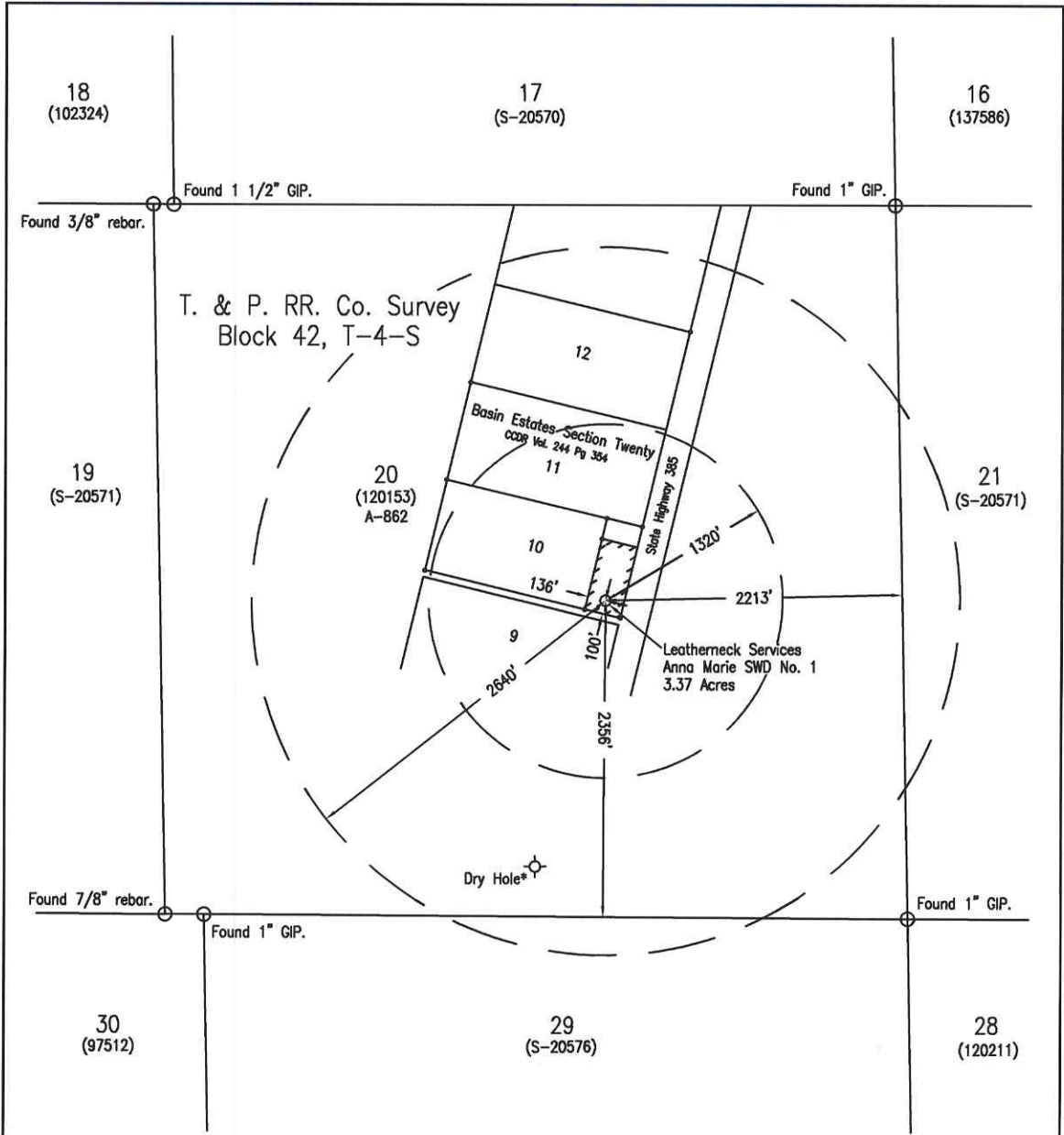
- e. Prior to beginning operation, the facility shall have security to prevent unauthorized access. Access shall be secured by a 24-hour attendant, a fence and locked gate when unattended, or a key-controlled access system. For a facility without a 24-hour attendant, fencing shall be required unless terrain or vegetation prevents truck access except through entrances with lockable gates.
 - f. Prior to beginning operation, each storage tank shall be equipped with a device (visual gauge or alarm) to alert drivers when each tank is within 130 barrels from being full.
12. Form P-18, Skim Oil Report, must be filed in duplicate with the District Office by the 15th day of the month following the month covered by the report.

Provided further that, should it be determined that such injection fluid is not confined to the approved interval, then the permission given herein is suspended and the fluid injection operation must be stopped until the fluid migration from such interval is eliminated. Failure to comply with all of the conditions of this permit may result in the operator being referred to enforcement to consider assessment of administrative penalties and/or the cancellation of the permit.

APPROVED AND ISSUED ON January 30, 2012.



Doug O. Johnson, PE
Manager for Injection-Storage
Permits and Support



Michael L. Stanford

Date Well Location Staked December 9, 2011
 NAD 83 X = 1675446
 NAD 83 Y = 10562307
 EMERGENCY RESPONSE LOCATOR
 NAD 27 Lat. = 31° 37' 49.57"
 NAD 27 Long. = 102° 19' 44.96"

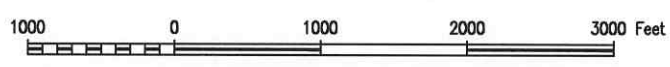


* Indicates well bore status and calls obtained from RRC data base and does not represent an actual survey.

This plat is for Texas Railroad Commission Permit Purposes Only and is NOT a boundary survey and is NOT to be used to convey or establish interests in real property.

BASIS OF BEARINGS is the Texas State Plane Coordinate System Central Zone NAD 83.

Application for Well No. 1
15 Miles South of Odessa, Texas.



Leatherneck Anne Marie SWD No. 1 - 2356' FSL' & 2213' FEL Section 20, Block 42, T-4-S, T. & P. RR. Co. Survey Crane County, Texas	STANFORD SURVEYING COMPANY P.O. BOX 8490 MIDLAND, TEXAS 79708-8490 432-699-5708
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DRAWN BY <u>Mike Stanford</u>	DATE <u>12-13-11</u>	SCALE <u>1" = 1000'</u>	FILE NAME <u>A-6399'</u>
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