



## New Well – Clear Fork

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**ASX Code:** WEL

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Winchester Energy Limited (**Winchester** or **Company**) is pleased to announce that it has decided to participate in a new vertical well on the White Hat lease with Clear Fork Inc. (**Clear Fork**), an oil and gas company active in the Nolan County, Texas, USA area.

The Clear Fork Patterson 1R vertical well is located 380 feet to the South-West of the Patterson #1 vertical well. The Patterson #1 vertical well was brought onto production in 1996 and produced about 100,000 barrels of oil from the Ellenburger Formation over 17 years before ceasing oil production due to multiple casing failures. The Clear Fork Patterson 1R vertical well will test a structural high with substantial remaining resource potential, even though 100,000 barrels of oil was recovered from the Patterson #1 vertical well.

The Clear Fork Patterson 1R vertical well is located within the boundaries of the White Hat lease and is located 2,400 feet to the South of the White Hat 21#4 well recently put on production and 1,900 feet to the South-East of the producing White Hat 21#2 well. The primary target in the Clear Fork Patterson 1R vertical well is the Ellenburger Formation. However, it will also have Cisco and Strawn secondary shallow objectives.

This well is a one-off commercial arrangement between Winchester and Clear Fork that applies to a 40 acre drilling unit on the White Hat lease and has arisen as part of an agreement via which Winchester acquired seismic data over part of Nolan County from Clear Fork. Clear Fork, an active operator with many years of experience in the Ellenburger Formation and other formations, will be the Operator of the Clear Fork Patterson 1R vertical well and will have a 75%WI in the well. Winchester will have a 25%WI in the well.

Winchester's decision to participate in the Clear Fork Patterson 1R vertical well is based on Winchester's interpreted 3D seismic and structural modelling, as well as data from the Patterson #1 vertical well.

The budget for the Clear Fork Patterson 1R vertical well is US\$600,000, drilled and completed for production. Clear Fork is paying 75% of the costs of the Clear Fork Patterson 1R vertical well and Winchester is paying 25% (which therefore is US\$150,000). The anticipated spud date is 17 August 2016.



Winchester's wholly owned USA subsidiary, Winchester Energy USA Holdings Inc., owns a 75% working interest (**WI**) in the oil and gas mineral rights of the 7,378 acres which surround and adjoin the existing 5 White Hat wells (Winchester 50%WI) and this new Clear Fork Patterson 1R vertical well (Winchester 25%WI), all of which are located in Nolan County, Texas in the Eastern Shelf of the Permian Basin.

The gross revenue royalty payable to the owner of the oil and gas minerals rights the subject of the White Hat lease is 23.5%. Accordingly, the net revenue interest (**NRI**) available to the working interest participants in the Clear Fork Patterson 1R vertical well is 76.5%.

Carl E Gungoll Exploration LLC (**CEGX**) owns the remaining 25%WI in the 7,378 acres the subject of the White Hat lease. CEGX does not have an interest in the Clear Fork Patterson 1R well or the surrounding 40 acre drilling unit. Clear Fork's ownership of the White Hat lease is limited therefore to a 75%WI in the 40 acre drilling unit associated with the Clear Fork Patterson 1R vertical well.

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**Competent Person's Statement**

*The information in this ASX announcement is based on information compiled or reviewed by Mr Neville Henry. Mr Henry is a qualified petroleum geologist with over 40 years of Australian, USA and other international technical, operational and executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation, as well as new oil and gas ventures identification and evaluation. Mr Henry has a BA (Honours) in geology from Macquarie University.*