



Samson Plaza
Two West Second Street
Tulsa, Oklahoma 74103-3103
918/591-1791

January 21, 2013

Railroad Commission of Texas
ATTN: Engineering Unit
PO Box 12967
Austin, TX 78711-2967

RE: SWR10 Exception
University 1-21 #1
Andrews, South (Devonian) (#02730284)
Emma (Mississippian) (#28899581)
Andrews, South (Bend) (#02730142)
Andrews Co., TX

Dear Sir or Madam,

Please find enclosed Samson Lone Star, LLC's Statewide Rule 10 Exception Data Sheet and other required supporting information. We wish to obtain an exception to SWR10 to allow for the downhole commingling of production from the above captioned well in the above listed fields.

If you have any questions or require additional information, please contact me at (918) 591-1971 or by email at kstaton@samson.com.

Respectfully,

A handwritten signature in blue ink that reads 'Kathy Staton'.

Kathy Staton
Samson Lone Star, LLC
Sr. Engineering Technician

Attachments

STATEWIDE RULE 10 EXCEPTION DATA SHEET

\$375.00 Fee Required
(Statewide Rule 78
effective 05/01/2012)

County ANDREWS RRC District 08 Date 01/15/2013

- (1) Operator Name, Address, RRC ID No., Name & Phone No. of Contact Person

SAMSON LONE STAR, LLC 2 WEST 2ND STREET TULSA, OK 74103

RRC ID # (API) 003-43202

Kathy Staton 918-591-1971

YES Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY? If yes, indicate email address kstaton@samson.com

- (2) API# 003-43202 Lease name & well # UNIVERISTY 1-21 #1

- (3) Field Information. Indicate the following for each field:

(a) Field name ANDREWS, SOUTH (DEVONIAN)

(b) Field number 02730284

(c) Oil or gas OIL

(d) Spacing and density rules Statewide Rules

(e) Top allowable 315 barrels

(f) Discovery date 06/25/1953

(g) Depth 11070-11084

(h) Hydrogen sulfide status (Statewide Rule 36) H2S Field

(i) Field name EMMA (MISSISSIPPIAN)

(j) Field number 28899581

(k) Oil or gas OIL

(l) Spacing and density rules Statewide Rules

(m) Top allowable 210 barrels

(n) Discovery date 03/06/1958

(o) Depth 10170

(p) Hydrogen sulfide status (Statewide Rule 36) _____

(q) Field name ANDREWS, SOUTH (BEND)

(r) Field number 02730142

(s) Oil or gas OIL

(t) Spacing and density rules Statewide Rules

(u) Top allowable 162 barrels

(v) Discovery date 11/08/1958

(w) Depth 9400

(x) Hydrogen sulfide status (Statewide Rule 36) _____

- (4) Indicate an instance (operator, lease, well no., or docket #) wherein the Commission has granted a Statewide Rule 10 Exception for these same zones (If none, all operators in all of the zones must be notified of this application.) There are no instances of approval ever having been issued for these zones. All operators are being notified of this application.

- (5) Is this well currently on the Commission's schedule as a multi-completed well in the zones cited above? No
 If not, explain well status in detail and indicate if Form W-1 has been filed for zones not on the schedule. Waiting on SWR10 exception approval for reporting field designation.
 Indicate completion date of the subject well in each zone. Devonian and Bend completion date - 4/27/12; Mississippian completion date - 10/22/12

- (6) Is this a regular location with respect to all zones for which the exception is requested? Yes

- (7) If the answer to item (6) is "NO", was a Rule 37 permit obtained? NA If so, state the Rule 37 case Number. NA
- (8) Are the Royalty and Working Interests identical with respect to all proposed combined zones in the well? YES
- (9) Attach history of subject well including all of the following:
- (a) Current producing capabilities for each zone Bend & Devonian were producing 10 BOPD, 22 MCFD, 10 BWPD; Mississippian is currently producing 6 BOPD, 38 MCFD, 5 BWPD
 - (b) Current shut-in BHP for each zone Devonian BHP is 4120 psi, Bend is estimated at 4070 psi, Mississippian BHP estimated at 4400 psi.
 - (c) Method of determining shut-in BHP for each zone Devonian, based on Fluid Levels, Bend and Mississippian are based upon normal pressure gradient established in the area.
 - (d) Anticipated drawdown pressure for each zone under commingled producing conditions Each zone will be produced with 200 psi or less BHP
 - (e) Drawdown pressure for each zone under producing conditions **without** commingling: Each zone warranting production will be produced at 200 psi or less BHP.
- (10) Indicate estimated daily commingled production:
- (a) Gas: 60 MCF/day
 - (b) Oil/Condensate: 16 BBL/day
 - (c) Water: 15.5 BBL/day
- (11) Attach schematic diagram of current and proposed well completion. Indicate where production tubing will be set. Indicate the tops of cement for each string of casing. Indicate perforated depths and which perforations belong to which field.
- (12) Attach a service list showing all affected operators. The applicant shall give notice by serving a copy of the application on all affected operators at the same time the application is filed with the Commission. The applicant must certify on the application that each operator on the service list has been served notice via a copy of this application.
- (13) Will combined production be artificially lifted? YES Are any of the zones capable of being produced separately without artificial lift? NO If so, indicate which zones. _____
- (14) Attach a detailed summary as to why the well cannot be produced as a multi-completed well. Also, include detailed reasons for desiring the requested exception. Samson believes all of these formations are productive at marginal to moderate rates. By employing a similar completion concept as that currently in use in the Spraberry Field (i.e. downhole commingling all potential compatible productive zones) economic wells may be drilled that result in greater recovery and less by passed hydrocarbons. Without downhole commingling, the marginal zones would be left behind, never to be produced. Multiple completion equipment would require an investment in larger production casing, multiple small diameter tubing strings and devising a way to employ rod pumping equipment to artificially lift the production from multiple zones. The added expense of such a multiple completion would severely hinder the economic incentive to develop these reserves.
- (15) Will cross-flow exist under flowing conditions if combined production is permitted? No Will cross-flow exist under shut-in conditions if combined production is permitted? Potentially If cross-flow did exist in either case, would reservoir damage result? No, fluids are compatible
- (16) Present evidence that the fluids from all zones are compatible by answering the following:
- (a) Will down-hole commingling cause scale build-up within the well? No Present any necessary evidence. Analogous wells have commingled these zones without evidence of scaling. Water compatibility test do not indicate scaling tendencies.
Will down-hole commingling cause any other damage to the well? No Present any necessary evidence. _____
 - (b) How will the operator monitor the issues addressed by item (a) above? Once the zones are commingled it is our intention to monitor for scaling tendencies with periodic water analyses and visual inspections and treat as necessary.

(17) Present evidence as to the additional recovery of hydrocarbons which will result from down-hole commingling. Also present evidence of the estimated recoverable reserves from each zone without commingling. Indicate the following:

- (a) Remaining recoverable reserves for each zone **without** commingling: Devonian 40 MBO, Bend 0 BO, Mississippian 0 BO.
- (b) Abandonment rate for each zone **without** commingling Devonian 3 BOPD, Mississippian 3 BOPD, Bend 3 BOPD.
- (c) Remaining recoverable reserves for each zone **with** commingling Devonian 50 MBO, Bend 10 MBO, Mississippian 10 MBO
- (d) Abandonment rate for each zone **with** commingling Devonian 1 BOPD, Bend 1 BOPD, Mississippian 1 BOPD

(18) If commingling is not approved, what action will the operator take? The economic viability of this well rest on commingling zones. Operator will produce Devonian to economic limit. Other formations will remain untested.

(19) Indicate the field that you request the commingled wellbore be assigned to for proration purposes (for first time application in these fields only) Emma (Mississippian)

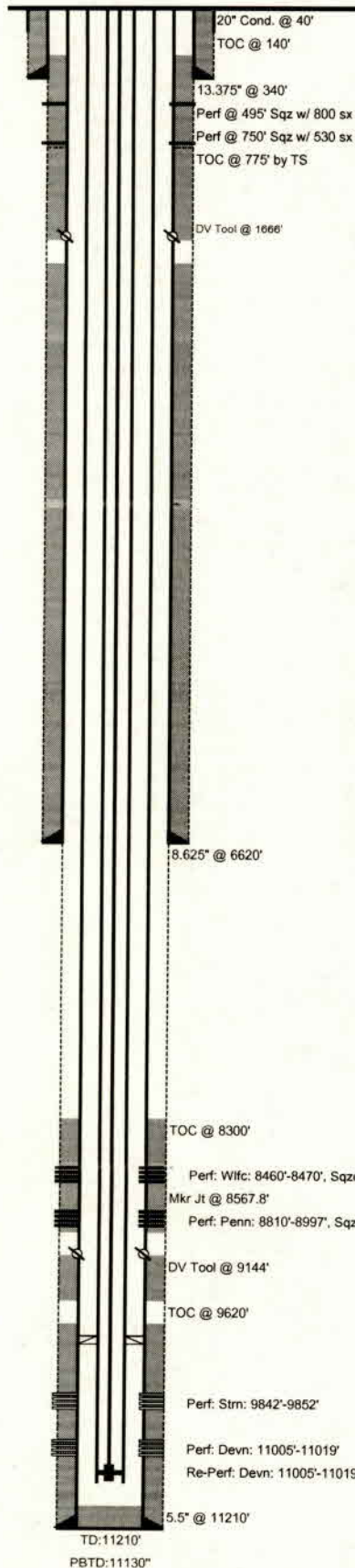
Upon review of this application, the Commission may require additional information to be provided.

Filing instructions: File the original and any required attachments and fees with the Railroad Commission by hand delivery or mail to the following address:

RAILROAD COMMISSION OF TEXAS
ATTN: ENGINEERING UNIT
PO BOX 12967
AUSTIN TX 78711-2967

If you have been served notice of this application and you wish to request a hearing on this application, you must mail or fax (512-463-6780) a letter to the engineering unit in the Austin office stating your intent to appear in protest. A copy of this intent to appear in protest must also be mailed to the applicant on the same date. This intent to appear in protest must be received in the Railroad Commission's Austin office no later than 14 days following the date of this application at 5:00 PM.

Bend & Devonian Completion



WELL NAME: University 1-21 #1
STATE: Texas
API NO: 42-003-43202
TD: 11210'

FIELD: Andrews, South
COUNTY: Andrews
SPUD DATE: 12/27/2011
PBTD: 11130'

LOCATION: 1980' FNL & 660' FEL, Sec 21, Blk 1, Univ Lds Svy.
FORMATION: Strawn & Devonian
ELEVATION: 3,123' GL (+14' KB) 3,137' KB

PIPE RECORD								CEMENT & HOLE DATA				
CSG	OD	GRADE	THD	WT/FT	TOP	BTM	# JTS	BIT SIZE	DEPTH	SX	WT.	TOC
Surf	13.375"	H-40 ST&C	8rd	48.0#	0'	340'	8	17.500"	340'	475	14.8 ppg	Surf
Intermed	8.625"	HCK-55&J-55	8rd	32.0#	0' 1666'	1666' 6620'	153	11.000"	6620'	1837.5 total 1623	14.8 ppg 14.8 ppg	140' Tag DV Tool ?
Prod	5.500"	L-80	8rd	17.0#	0' 9144'	9144' 10180'	231	7.875"	11210'	800	14.4 ppg	8300'
		HCL-80			10180'	11210'	25			500	14.4 ppg	DV Tool
Tbg	2.875"	L-80	8rd	6.7#	0'	9773'	300					

Remarks:

10/01/11: Drill & Complete Strawn / Devonian oil well.
 1/25/12: Run 8.625" csg. Didn't circ second stage. TOC @ 775' by TS.
 1/26/12: Perf @ 750', Sqzd w/ 530 sx. TOC @ 525' by TS.
 1/27/12: Tag cmt @ 640', Perf @ 495', Sqzd w/ 400 sx. Tag cmt @ 340'
 1/28/12: DO cmt 340'-525', losing pressure on test.
 1/29/12: Re-Sqz 495' perms w/ 400 sx, pressure test would not hold. Tag cmt @ 330', Spot balanced plug of 22.5 sx. Pressure test held.
 1/31/12: Tag cmt @ 140', DO 140'-365'
 2/29/12: Perf: Devonian: 11,005'-11,019', Frac screened out
 3/7/12: Spot 1000 gal 15% acid
 3/9/12: Re-Perf Devn: 11,005'-11,019', Frac screened out
 4/4/12: Perf: Strn: 9842'-9852', Attempt to Frac, screened out @ 3# sand w/ approx 11,500# of propan in formation
 4/19/12: Perf: Penn: 8810'-8997', Aczd'd w/ 6500 gal 15% HCl & 40 ball sealers.
 Perf: Wolfcamp: 8460'-8470', Aczd'd w/ 2000 gal 15% HCl & 15 ball sealers
 4/20/12: Set RBP @ 9114', prep to Acidize Penn & Wolfcamp
 4/23/12: Aczd'd Penn & Wolfcamp perms (details above)
 6/1/12: Sqzd'd Wolfcamp Perfs: 8460'-8470' w/ 205 sx. cmt.
 6/11/12: Sqzd'd Penn Perfs: 8810'-8997' w/ 300 sx. cmt.

CAPACITIES (bbl/ft) (ft/bbl) (cf/ft)

TBG: 2.875 in. 6.7#
 CSG: 8.625 in. 32#

VOLUME BETWEEN (bbl/ft) (ft/bbl) (cf/ft)

TBGxCSG: 2.875x5.5
 TBGxCSG:
 CSGxHOLE:
 TBGxHOLE:
 TBGxHOLE:

PERFORATION RECORD

DATE	TOP	BTM	ZONE	STATUS	SPF
2/29/2012	11005'	11019'	Devonian	Open	3
3/9/2012	11005'	11019'	Devonian	Open	3
4/4/2012	9842'	9852'	Strawn	Open	3
4/19/2012	8995'	8997'	Penn	Sqzd'd	3
4/19/2012	8982'	8984'	Penn	Sqzd'd	3
4/19/2012	8965'	8967'	Penn	Sqzd'd	3
4/19/2012	8948'	8950'	Penn	Sqzd'd	3
4/19/2012	8939'	8941'	Penn	Sqzd'd	3
4/19/2012	8926'	8930'	Penn	Sqzd'd	3
4/19/2012	8916'	8920'	Penn	Sqzd'd	3
4/19/2012	8906'	8910'	Penn	Sqzd'd	3
4/19/2012	8840'	8842'	Penn	Sqzd'd	3
4/19/2012	8810'	8812'	Penn	Sqzd'd	3
4/19/2012	8460'	8470'	Wolfcamp	Sqzd'd	3

SRC Wt%:

LOGS:

LANDMAN:

GEOLOGIST:

TUBULAR GOODS PERFORMANCE

Material	ID (in)	Drift (in)	Collapse* (psi)	Burst* (psi)	Tensile* (lbs)
13.375" H-40 ST&C 8rd 48#					
8.625" HCK-55&J-55 8rd 32#					
2.875" L-80 8rd 6.7#					
* Safety Factor Not Included					

20" Cond. @ 40'
TOC @ 140'
13.375" @ 340'
Perf @ 495' Sqz w/ 800 sx
Perf @ 750' Sqz w/ 530 sx
TOC @ 775' by TS
DV Tool @ 1666'
8.625" @ 6620'
TOC @ 8300'
Perf: Wlf: 8460'-8470', Sqz
Mkr Jt @ 8567.8'
Perf: Penn: 8810'-8997', Sqz
DV Tool @ 9144'
TOC @ 9620'
Perf: Str: 9842'-9852'
Perf: Miss.: 10372'-10382'
Possible Casing Collapse @
Perf: Devn: 11005'-11019'
Re-Perf: Devn: 11005'-11019'
5.5" @ 11210'
TD:11210'
PBD:11097'

WELL NAME: University 1-21 #1			FIELD: Andrews, South										
STATE: Texas			COUNTY: Andrews			LOCATION: 1980' FNL & 660' FEL, Sec 21, Blk 1, Univ Lds Svy.							
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TD: 11210'			PBTD: 11097'			ELEVATION: 3,123' GL (+14' KB) 3,137' KB							
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					1666'	6620'				1623	14.8 ppg	DV Tool	
Prod	5.500"	L-80	8rd	17.0#	0'	9144'	231	7.875"	11210'	800	14.4 ppg	8300'	
		HCL-80			9144'	10180'				25	500	14.4 ppg	DV Tool
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6/1/12: Sqzd'd Wolfcamp Perfs: 8460'-8470' w/ 205 sx. cmt.													
6/11/12: Sqzd'd Penn Perfs: 8810'-8997' w/ 400 sx. cmt.													
9/28/12: Set CBP @ 10,490' & Perf'd Miss. Sh. @ 10,372'-10,382'													
10/5/12: Frac Miss. Shale w/ 2500 gal 15% HCl, 20,882 gal slickwater pad, 55,231 gal slickwater w/ 26,320# 100 mesh & 47,000# 30/50 white sand.													
CAPACITIES (bbl/ft) (ft/bbl) (cf/ft)													
TBGxCSG: 2.875x5.5													
CSGxHOLE:													
TBGxHOLE:													
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4/19/2012	8965'	8967'	Penn	Sqzd'd	3								
4/19/2012	8948'	8950'	Penn	Sqzd'd	3								
4/19/2012	8939'	8941'	Penn	Sqzd'd	3								
4/19/2012	8926'	8930'	Penn	Sqzd'd	3								
4/19/2012	8916'	8920'	Penn	Sqzd'd	3								
4/19/2012	8906'	8910'	Penn	Sqzd'd	3								
4/19/2012	8840'	8842'	Penn	Sqzd'd	3								
4/19/2012	8810'	8812'	Penn	Sqzd'd	3								
4/19/2012	8460'	8470'	Wolfcamp	Sqzd'd	3								
9/28/2012	10372'	10382'	Mississippian	Open	3								
TUBULAR GOODS PERFORMANCE													
Material	ID (in)	Drift (in)	Collapse* (psi)	Burst* (psi)	Tensile* (lbs)								
13.375" H-40 ST&C 8rd 48#													
8.625" HCK-55&J-55 8rd 32#													
2.875" L-80 8rd 6.7#													
1,013' (in middle of Devonian Perfs)													
* Safety Factor Not Included													

Prepared by: kstaton
Scale: 1:80,000
1/18/2013



Samson Plaza
Two West Second Street
Tulsa, Oklahoma 74103-3103
918/591-1791

Service Listing for Samson Lone Star, LLC
University 1-21 #1
API# 42-003-43202

Energien Resources Corp.
3300 North A Street
Bldg. 4, Suite 100
Midland, TX 79705

EOG Resources, Inc.
Attn: Terry Karka
P.O. Box 4362
Houston, TX 77210


Fasken Oil & Ranch, Ltd.
303 West Wall Ave., Suite 1900
Midland, TX 79701

Occidental Permian Ltd.
c/o Elizabeth Bush Ivie, 20th Flr
P.O. Box 4294
Houston, TX 77046

Saber Oil and Gas Ventures, LLC
400 W Illinois, Ste., 950
Midland, TX 79701

Wilbanks Reserves Corp.
1610 Wynkoop Street, Suite 200
Denver, CO 80202

XTO Energy, Inc.
Attn: James L. Death
810 Houston Street
Ft. Worth, TX 76102

_____, certify that I have notified the above listed operators as required by
Commission Rules. These notifications were sent on January 21, 2013.