

API No. <u>42-003-47395</u> Drilling Permit # <u>817773</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. 817555		2. Operator's Name (as shown on form P-5, Organization Report) STEPHENS & JOHNSON OPERATING CO.		3. Operator Address (include street, city, state, zip): P O BOX 2249 WICHITA FALLS, TX 76307-0000			
4. Lease Name UNIVERSITY 15 'B'		5. Well No. 6					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): <input checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack							
8. Total Depth 7500		9. Do you have the right to develop the minerals under any right-of-way ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 08		12. County ANDREWS		13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore			
14. This well is to be located <u>14</u> miles in a <u>NW</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.							
15. Section 15		16. Block 13		17. Survey UL		18. Abstract No. A-U407	
				19. Distance to nearest lease line: 1042 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 195	
21. Lease Perpendiculars: <u>1042</u> ft from the <u>NORTH</u> line and <u>1290</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>1042</u> ft from the <u>NORTH</u> line and <u>1290</u> ft from the <u>EAST</u> line.							
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No			
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	33230001	FULLERTON		Oil Well	7000	698.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [FILER Aug 16, 2016 9:39 AM]: H-9 CERTIFICATE NO. 059216 ISSUED 08/07/2008 DUPLICATE EXPIRED PERMIT NO. 786751 - API NO. 003-46472; [RRC STAFF Aug 19, 2016 2:03 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 23, 2016 7:51 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 23, 2016 7:56 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 24, 2016 7:46 AM]: Problems identified with this permit are resolved.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> <u>Cindy Walker, Engineering Assistant</u> Name of filer <u>(940)7165374</u> Phone </div> <div> <u>Aug 16, 2016</u> Date submitted <u>cwalker@sjoc.net</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Aug 24, 2016 9:34 AM(Current Version)							

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <div align="center">817773</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Aug 24, 2016</div>	DISTRICT <div align="center">* 08</div>																										
API NUMBER <div align="center">42-003-47395</div>	FORM W-1 RECEIVED <div align="center">Aug 16, 2016</div>	COUNTY <div align="center">ANDREWS</div>																										
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Vertical</div>	ACRES <div align="center">195</div>																										
OPERATOR <div align="center"> STEPHENS & JOHNSON OPERATING CO. P O BOX 2249 WICHITA FALLS, TX 76307-0000 </div>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: <div align="center">(432) 684-5581</div>																										
LEASE NAME <div align="center">UNIVERSITY 15 'B'</div>		WELL NUMBER <div align="center">6</div>																										
LOCATION <div align="center">14 miles NW direction from ANDREWS</div>		TOTAL DEPTH <div align="center">7500</div>																										
Section, Block and/or Survey <div> SECTION ◀ 15 BLOCK ◀ 13 ABSTRACT ◀ U407 SURVEY ◀ UL </div>																												
DISTANCE TO SURVEY LINES <div align="center">1042 ft. NORTH 1290 ft. EAST</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">1042 ft.</div>																										
DISTANCE TO LEASE LINES <div align="center">1042 ft. NORTH 1290 ft. EAST</div>		DISTANCE TO NEAREST WELL ON LEASE <div align="center">See FIELD(s) Below</div>																										
FIELD(s) and LIMITATIONS: <div align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>																												
<table border="0" style="width:100%;"> <thead> <tr> <th style="text-align:left;">FIELD NAME</th> <th style="text-align:right;">ACRES</th> <th style="text-align:right;">DEPTH</th> <th style="text-align:right;">WELL #</th> <th style="text-align:right;">DIST</th> </tr> <tr> <th style="text-align:left;">LEASE NAME</th> <th style="text-align:right;">NEAREST LEASE</th> <th></th> <th style="text-align:right;">NEAREST WE</th> <th></th> </tr> </thead> <tbody> <tr> <td colspan="5"><hr/></td> </tr> <tr> <td>FULLERTON</td> <td style="text-align:right;">195.00</td> <td style="text-align:right;">7,000</td> <td style="text-align:right;">6</td> <td style="text-align:right;">08</td> </tr> <tr> <td>UNIVERSITY 15 'B'</td> <td style="text-align:right;">1042</td> <td></td> <td style="text-align:right;">698</td> <td></td> </tr> </tbody> </table>				FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE		<hr/>					FULLERTON	195.00	7,000	6	08	UNIVERSITY 15 'B'	1042		698	
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<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p> <p>This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.</p>																												

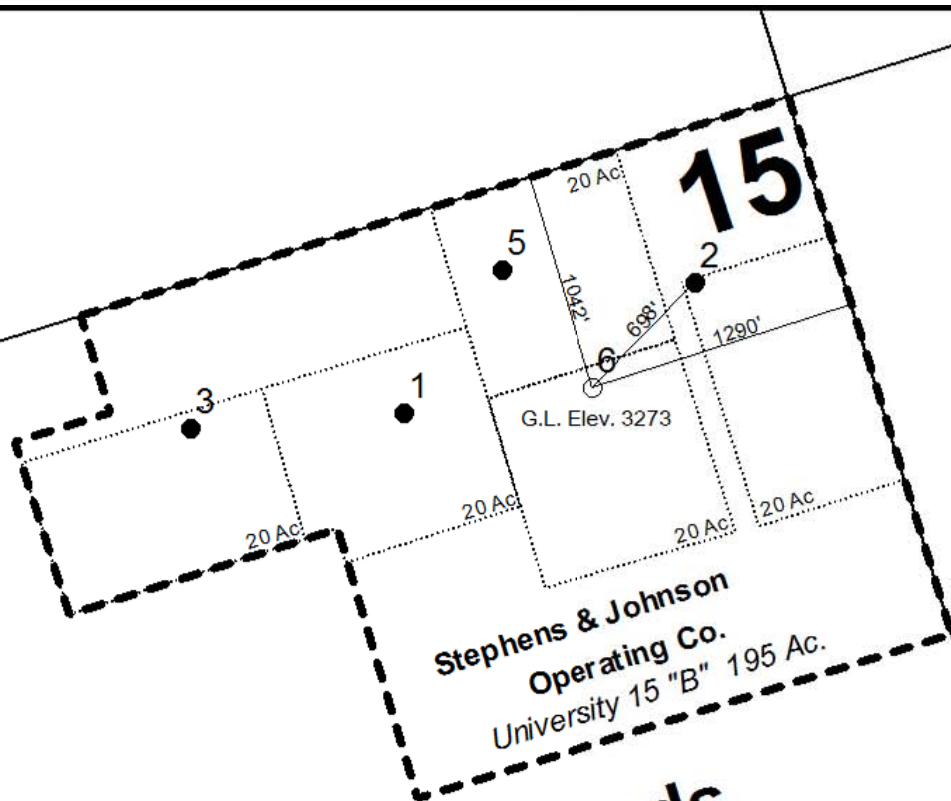
**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

ANDREWS (003) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
YATES	2,500	3,200		1	12/17/2013
SEVEN RIVERS	3,000	3,000		2	12/17/2013
QUEEN	3,600	4,800		3	12/17/2013
GRAYBURG	3,100	5,000		4	12/17/2013
SAN ANDRES	3,700	5,300	CO2 flood, high flows, H2S, corrosive	5	12/17/2013
HOLT	5,000	5,500		6	12/17/2013
GLORIETA	5,100	6,000		7	12/17/2013
TUBB	6,100	6,300		8	12/17/2013
CLEARFORK	5,600	7,600		9	12/17/2013
PERMIAN DETRITAL	7,800	7,900		10	12/17/2013
LEON	7,900	7,900		11	12/17/2013
WICHITA ALBANY	6,500	8,100		12	12/17/2013
SPRABERRY	7,300	8,600		13	12/17/2013
DEAN	9,200	9,500		14	12/17/2013
WOLFCAMP	7,500	9,900		15	12/17/2013
CANYON	8,600	10,200		16	12/17/2013
PENNSYLVANIAN	8,700	10,200		17	12/17/2013
MCKEE	8,300	10,600		18	12/17/2013
STRAWN	8,800	11,000		19	12/17/2013
FUSSELMAN	8,400	11,900		20	12/17/2013
DEVONIAN	7,600	12,500		21	12/17/2013
SILURIAN	8,000	12,500		22	12/17/2013
ELLENBURGER	7,900	13,900		23	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

6



University Lands Blk 13

University 15 "B" No. 6
Lat. 32.399616
Lng. -102.754539
NAD27

22

-CERTIFICATE-

I, declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date 8/23/2016 Telephone (940) 723-2166
Signature JM Burton Title Geologist

STEPHENS & JOHNSON OPERATING CO.

University 15 "B" Lease

Andrews County, Texas

Scale: 1" = 1,000'

