

API No. <u>42-105-42360</u> Drilling Permit # <u>823289</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. 766370		2. Operator's Name (as shown on form P-5, Organization Report) SEM OPERATING COMPANY LLC			3. Operator Address (include street, city, state, zip): SUITE 1850 2050 WEST SAM HOUSTON PKWY S HOUSTON, TX 77042-0000		
4. Lease Name UNIVERSITY 40			5. Well No. 2101WC				
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 type="checkbox"/> Vertical <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 7C		12. County CROCKETT		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>25.4</u> miles in a <u>N</u> direction from <u>OZONA</u> which is the nearest town in the county of the well site.							
15. Section 21		16. Block 40		17. Survey UL		18. Abstract No. A-	
				19. Distance to nearest lease line: 100 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 10195.37	
21. Lease Perpendiculars: <u>7234</u> ft from the <u>NORTH</u> line and <u>5275</u> ft from the <u>EAST</u> line.							
22. Survey Perpendiculars: <u>2119</u> ft from the <u>FNL</u> line and <u>15</u> ft from the <u>FWL</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	
7C	53613750	LIN (WOLFCAMP)			Oil or Gas Well	7500	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Feb 24, 2017 10:45 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Feb 24, 2017 2:37 PM]: Problems identified with this permit are resolved.; [RRC STAFF Feb 24, 2017 2:37 PM]: Well count corrected and revised P-16 attached per Amber.					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>Amber Moore</u> Name of filer </div> <div> <u>Feb 14, 2017</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)2182001</u> Phone </div> <div> <u>amoore@sequitirenergy.com</u> E-mail Address (OPTIONAL) </div> </div>		
RRC Use Only <div style="float: right;">Data Validation Time Stamp: Feb 27, 2017 1:05 PM(Current Version)</div>							

Permit Status: Approved <i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>

RAILROAD COMMISSION OF TEXAS
 OIL & GAS DIVISION

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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 A certification of the automated data is available in the RRC's Austin office.

Permit #	823289
Approved Date:	Feb 24, 2017

1. RRC Operator No. 766370	2. Operator's Name (exactly as shown on form P-5, Organization Report) SEM OPERATING COMPANY LLC	3. Lease Name UNIVERSITY 40	4. Well No. 2101WC
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 LIN (WOLFCAMP) (Field # 53613750, RRC District 7C)			
6. Section 28	7. Block 40	8. Survey UL	9. Abstract
		10. County of BHL IRION	
11. Terminus Lease Line Perpendiculars 5 ft. from the South line. and 5182 ft. from the East line			
12. Terminus Survey Line Perpendiculars 5 ft. from the South line. and 110 ft. from the West line			
13. Penetration Point Lease Line Perpendiculars 7884 ft. from the North line. and 5180 ft. from the East line			

**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">823289</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Feb 24, 2017</div>	DISTRICT <div align="center">* 7C</div>			
API NUMBER <div align="center">42-105-42360</div>	FORM W-1 RECEIVED <div align="center">Feb 14, 2017</div>	COUNTY <div align="center">CROCKETT</div>			
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Horizontal</div>	ACRES <div align="center">10195.37</div>			
OPERATOR <div align="center">SEM OPERATING COMPANY LLC</div> <div>SUITE 1850 2050 WEST SAM HOUSTON PKWY S HOUSTON, TX 77042-0000</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">(325) 657-7450</div>			
LEASE NAME <div align="center">UNIVERSITY 40</div>		WELL NUMBER <div align="center">2101WC</div>			
LOCATION <div align="center">25.4 miles N direction from OZONA</div>		TOTAL DEPTH <div align="center">7500</div>			
Section, Block and/or Survey SECTION ◀ 21 BLOCK ◀ 40 ABSTRACT ◀ SURVEY ◀ UL					
DISTANCE TO SURVEY LINES <div align="center">2119 ft. FNL 15 ft. FWL</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">100 ft.</div>			
DISTANCE TO LEASE LINES <div align="center">7234 ft. NORTH 5275 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>					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
----- LIN (WOLFCAMP) UNIVERSITY 40 -----		10195.37 100	7,500 200	2101WC 200	7C
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----					
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 7884.0 F NORTH L 5180.0 F EAST L Terminus Location BH County: IRION Section: 28 Block: 40 Abstract: Survey: UL Lease Lines: 5.0 F SOUTH L 5182.0 F EAST L Survey Lines: 5.0 F SOUTH L 110.0 F WEST L					
<div align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</div> <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>					

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 style="text-align: right;">823289</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Feb 24, 2017</div>	DISTRICT <div style="text-align: center;">* 7C</div>										
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TYPE OF OPERATION <div style="text-align: center;">NEW DRILL</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Horizontal</div>	ACRES <div style="text-align: center;">10195.37</div>										
OPERATOR <div style="text-align: right;">766370</div> <div style="text-align: center;">SEM OPERATING COMPANY LLC</div> SUITE 1850 2050 WEST SAM HOUSTON PKWY S HOUSTON, TX 77042-0000		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: (325) 657-7450										
LEASE NAME <div style="text-align: center;">UNIVERSITY 40</div>		WELL NUMBER <div style="text-align: center;">2101WC</div>										
LOCATION <div style="text-align: center;">25.4 miles N direction from OZONA</div>		TOTAL DEPTH <div style="text-align: center;">7500</div>										
Section, Block and/or Survey SECTION ⚡ 21 BLOCK ⚡ 40 ABSTRACT ⚡ SURVEY ⚡ UL												
DISTANCE TO SURVEY LINES <div style="text-align: center;">2119 ft. FNL 15 ft. FWL</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">100 ft.</div>										
DISTANCE TO LEASE LINES <div style="text-align: center;">7234 ft. NORTH 5275 ft. EAST</div>		DISTANCE TO NEAREST WELL ON LEASE <div style="text-align: center;">See FIELD(s) Below</div>										
FIELD(s) and LIMITATIONS: <div style="text-align: center;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>												
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 15%;">ACRES</td> <td style="width: 15%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table>			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									
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.												

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

CROCKETT (105) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
QUEEN	1,000	2,300		1	12/17/2013
SAN ANDRES	1,000	3,700		2	12/17/2013
LEONARD	3,100	4,200		3	12/17/2013
WOLFCAMP	3,400	6,300		4	12/17/2013
CANYON	4,000	8,800		5	12/17/2013
STRAWN	7,100	11,600		6	12/17/2013
DEVONIAN	8,900	11,900		7	12/17/2013
ELLENBURGER	6,500	13,400		8	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>



GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date Issued: 15 February 2017**GAU Number:** 167470**Attention:** SEM OPERATING COMPANY
SUITE 1850
HOUSTON, TX 77042**Operator No.:** 766370**API Number:**
County: CROCKETT
Lease Name: UNIVERSITY 40
Lease Number:
Well Number: 2101WC
Total Vertical Depth: 7500
Latitude: 31.068714
Longitude: -101.161612
Datum: NAD27**Purpose:** New Drill**Location:** Survey-UL; Abstract-U311; Block-40; Section-21

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from the land surface to 20 feet below the base of the Cretaceous-age beds must be protected. The base of the Cretaceous is estimated to occur at a depth of 725 feet.

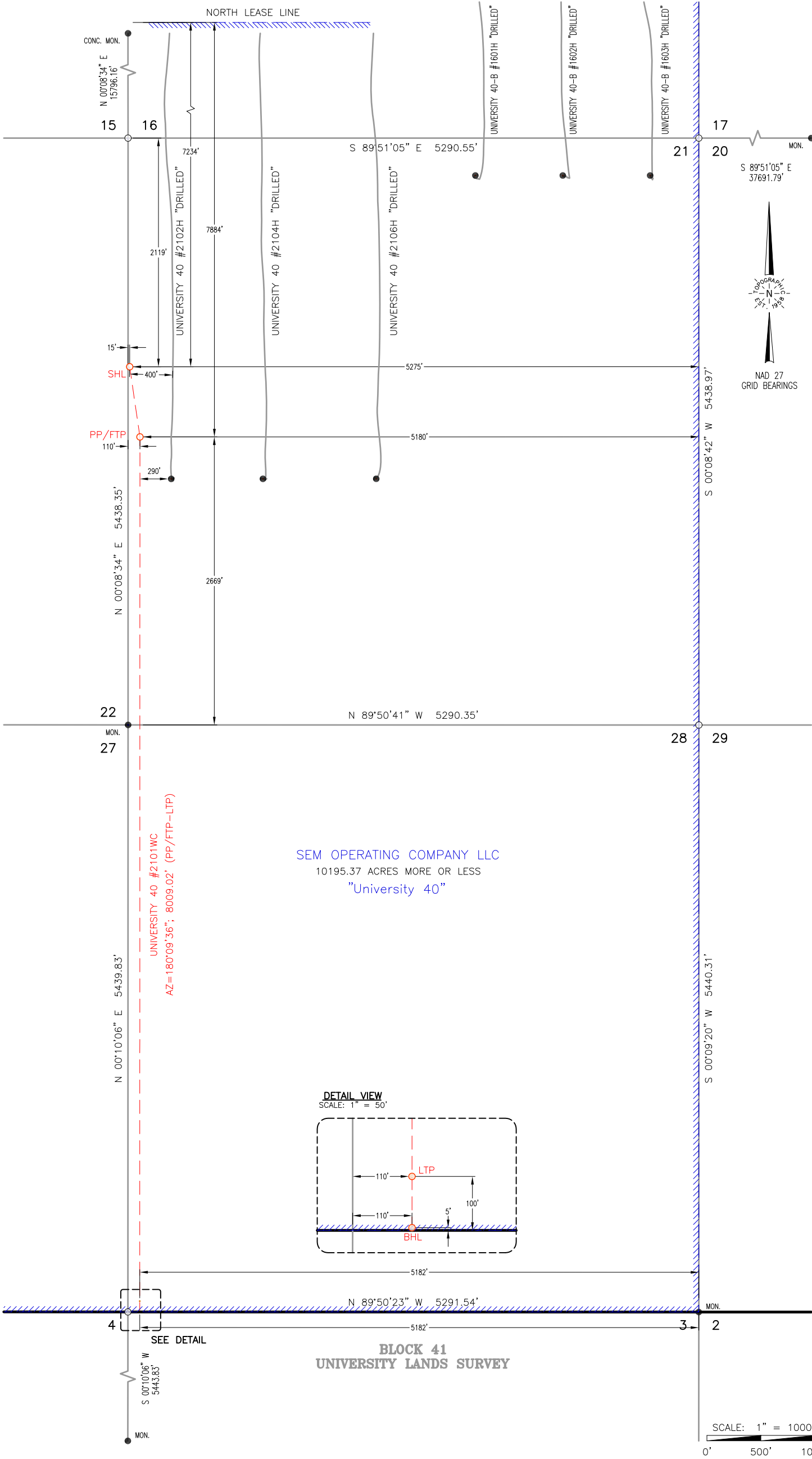
This recommendation is applicable to all wells within a radius of 3500 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 02/14/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014



Surface Hole Location:

GROUND ELEVATION:

SHL Ground Elevation: 2676'

COORDINATES:

NAD 27 TX-C ZONE:

X = 1740686.16 Y = 510867.61
LAT.: N 31°04'07.37" LONG.: W 101°09'41.80"
LAT.: N 31.0687138 LONG.: W 101.1616124

NAD 83 TX-C ZONE:

X = 2037153.30 Y = 10353445.98
LAT.: N 31°04'07.96" LONG.: W 101°09'43.21"
LAT.: N 31.0688773 LONG.: W 101.1620021

SURVEY LINE PERPENDICULARS:

2119' FNL & 15' FWL (Sec. 21)

UNIT LINE PERPENDICULARS:

7234' FNL & 5275' FEL

Penetration Point/
First Take Point:

COORDINATES:

NAD 27 TX-C ZONE:

X = 1740779.53 Y = 510217.37
LAT.: N 31°04'00.94" LONG.: W 101°09'40.68"
LAT.: N 31.0669279 LONG.: W 101.1612986

NAD 83 TX-C ZONE:

X = 2037246.68 Y = 10352795.74
LAT.: N 31°04'01.53" LONG.: W 101°09'42.08"
LAT.: N 31.0670914 LONG.: W 101.1616884

SURVEY LINE PERPENDICULARS:

2669' FSL & 110' FWL (Sec. 21)

UNIT LINE PERPENDICULARS:

7884' FNL & 5180' FEL

Last Take Point:

COORDINATES:

NAD 27 TX-C ZONE:

X = 1740757.19 Y = 502208.38
LAT.: N 31°02'41.66" LONG.: W 101°09'40.25"
LAT.: N 31.0449067 LONG.: W 101.1611796

NAD 83 TX-C ZONE:

X = 2037224.33 Y = 10344786.76
LAT.: N 31°02'42.26" LONG.: W 101°09'41.65"
LAT.: N 31.0450710 LONG.: W 101.1615693

SURVEY LINE PERPENDICULARS:

100' FSL & 110' FWL (Sec. 28)

UNIT LINE PERPENDICULARS:

100' FSL & 5182' FWL

Bottom Hole Location:

COORDINATES:

NAD 27 TX-C ZONE:

X = 1740756.92 Y = 502113.38
LAT.: N 31°02'40.72" LONG.: W 101°09'40.24"
LAT.: N 31.0446455 LONG.: W 101.1611782

NAD 83 TX-C ZONE:

X = 2037224.06 Y = 10344691.76
LAT.: N 31°02'41.32" LONG.: W 101°09'41.64"
LAT.: N 31.0448098 LONG.: W 101.1615679

SURVEY LINE PERPENDICULARS:

5' FSL & 110' FWL (Sec. 28)








UNIT LINE PERPENDICULARS:

5' FSL & 5182' FWL

All Coordinates are in NAD 27 TX-C Zone unless otherwise noted.

REV#-BY	DATE REVISED	REV#-BY	DATE REVISED
1-MP	02-14-2017	1-XXX	XX/XX/XX

SPECIAL NOTES:

LEGEND	 Section Line
	 Block Line
	 Abstract Line
	 Tract Line
	 Unit/Lease Boundary
	 Found Monument
	 Calculated Corner

CERTIFICATION:

This well location shown on this permit plat was surveyed on ground under my direct supervision. This plat is for Texas Railroad Commission permit purpose only and should not be considered a boundary survey.



Texas Reg. No. 5041



2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

Texas FIRM Registration NO. 10042500

FILE NAME: LO_UNIVERSITY_40_2101WC_REV1

SEM OPERATING
COMPANY LLC

LEASE NAME & WELL NO.:
UNIVERSITY 40 #2101WC

TOPOGRAPHY & VEGETATION:

NATURAL MESQUITE PASTURE

NEAREST TOWN IN COUNTY:

±25.4 MILES NORTH OF OZONA, TEXAS

LOCATION DESCRIPTION:

SHL/PP/FTP: SECTION 21, BLOCK 40, UNIVERSITY LANDS SURVEY

LTP/BHL: SECTION 28, BLOCK 40, UNIVERSITY LANDS SURVEY

CROCKETT COUNTY, TEXAS

Scale: 1" = 1000'	Surveyed: 01-25-2017	ORIGINAL DOC. SIZE: 11"x17"
COGO: 518-124590	Drawn By: MP; 02-01-2017	