

API No. <u>42-105-42384</u> Drilling Permit # <u>825315</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. 597379		2. Operator's Name (as shown on form P-5, Organization Report) MWS PRODUCING, INC.		3. Operator Address (include street, city, state, zip): PO BOX 100 STANTON, TX 79782-0000			
4. Lease Name UNIVERSITY 22B		5. Well No. 1					
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 2500		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. 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>15</u> miles in a <u>NW</u> direction from <u>Ozona</u> which is the nearest town in the county of the well site.							
15. Section 22		16. Block 47		17. Survey UL		18. Abstract No. A-U486	
				19. Distance to nearest lease line: 368 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 152.2	
21. Lease Perpendiculars: <u>368</u> ft from the <u>EAST</u> line and <u>1583</u> ft from the <u>SOUTH</u> line. 22. Survey Perpendiculars: <u>368</u> ft from the <u>EAST</u> line and <u>1583</u> ft from the <u>SOUTH</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	
7C	30243500	FARMER (SAN ANDRES)		Oil Well	2500	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [RRC STAFF Apr 20, 2017 5:26 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 26, 2017 11:38 AM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 26, 2017 11:43 AM]: Revised plat attached. Lease name is now consistent with the W1.				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>Mike Swinson</u> Name of filer </div> <div> <u>Apr 08, 2017</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)7562902</u> Phone </div> <div> <u>mwsprod@msn.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: May 2, 2017 10:51 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">825315</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Apr 26, 2017</div>	DISTRICT <div align="center">* 7C</div>	
API NUMBER <div align="center">42-105-42384</div>	FORM W-1 RECEIVED <div align="center">Apr 08, 2017</div>	COUNTY <div align="center">CROCKETT</div>	
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Vertical</div>	ACRES <div align="center">152.2</div>	
OPERATOR <div align="center"> MWS PRODUCING, INC. PO BOX 100 STANTON, TX 79782-0000 </div>		<div align="center">597379</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 22B</div>		WELL NUMBER <div align="center">1</div>	
LOCATION <div align="center">15 miles NW direction from OZONA</div>		TOTAL DEPTH <div align="center">2500</div>	
Section, Block and/or Survey <div> SECTION ◀ 22 BLOCK ◀ 47 ABSTRACT ◀ U486 SURVEY ◀ UL </div>			
DISTANCE TO SURVEY LINES <div align="center">368 ft. EAST 1583 ft. SOUTH</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">368 ft.</div>	
DISTANCE TO LEASE LINES <div align="center">368 ft. EAST 1583 ft. SOUTH</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 WE
FARMER (SAN ANDRES) UNIVERSITY 22B		152.20 368	2,500 0
RESTRICTIONS:		Permitted for oil only. This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.	
<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**

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: 03 April 2017**GAU Number:** 168986**Attention:** MWS PRODUCING, INC.
PO BOX 100
STANTON, TX 79782**Operator No.:** 597379**API Number:**
County: CROCKETT
Lease Name: UNIVERSITY 22B
Lease Number:
Well Number: 1
Total Vertical Depth: 2500
Latitude: 31.001440
Longitude: -101.355291
Datum: NAD27**Purpose:** New Drill**Location:** Survey-UL; Block-47; Section-22

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 the base of the Santa Rosa, which is estimated to occur at a depth between 750 and 800 feet, must be protected.

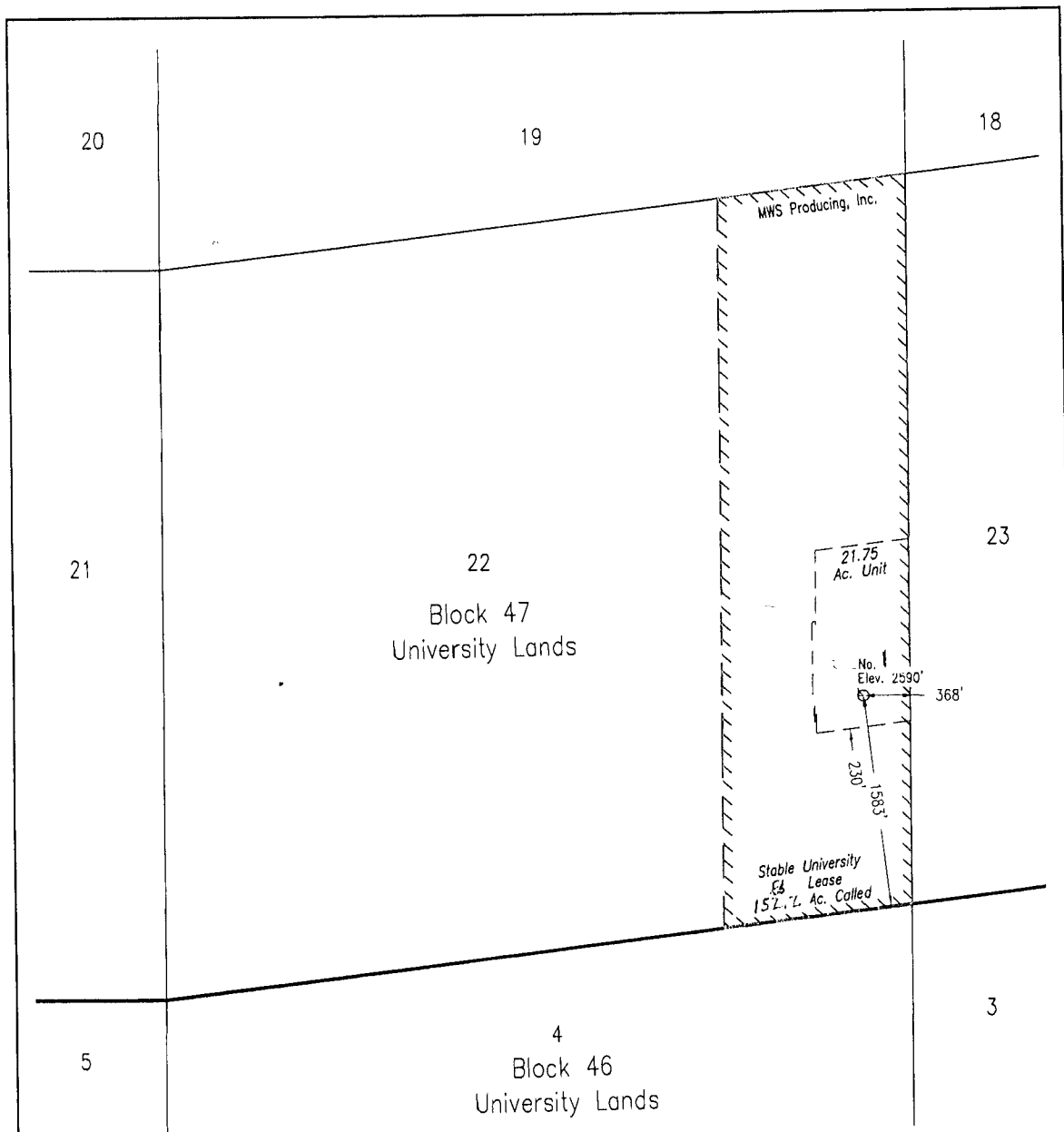
This recommendation is applicable to all wells within a radius of 1500 feet of this location.

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 03/21/2017. 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



Michael L. Stanford



Date Well Location Staked April 29, 2015

NAD 27 X = 1679827'

NAD 27 Y = 486906'

EMERGENCY RESPONSE LOCATOR

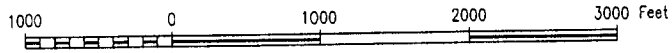
NAD 27 Lat. = 31°00'05.18" / 31.001440

NAD 27 Long. = -101°21'19.05" / -101.355292

This plot 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 27.

Application for Well No. 2
14.5 Miles Southeast of Big Lake, Texas.



MWS Producing, Inc.
Stable University **22B #1** - 1583' FSL & 368' FEL
Section 22, Block 47, University Lands Survey
Crockett County, Texas

STANFORD SURVEYING COMPANY
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
TBPLS Firm No. 10128400 432-699-5708

DRAWN BY Daniel Blair

Rev. 05-04-2015 ACP
DATE 05-01-2015

SCALE 1" = 1000'

FILE NAME A-10195