

API No. <u>42-317-40420</u> Drilling Permit # <u>814860</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. 684474		2. Operator's Name (as shown on form P-5, Organization Report) QEP ENERGY COMPANY			3. Operator Address (include street, city, state, zip): ATTN SOUTHERN DIV REGULATORY 1050 17TH ST SUITE 800 DENVER, CO 80265-0000		
4. Lease Name UNIVERSITY 7-1726			5. Well No. S 11SS				
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 9500		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. 08		12. County MARTIN		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>20.7</u> miles in a <u>NE</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.							
15. Section 17	16. Block 7	17. Survey UL		18. Abstract No. A-U23	19. Distance to nearest lease line: <u>100</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 960	
21. Lease Perpendiculars: <u>300</u> ft from the <u>NW</u> line and <u>1582</u> ft from the <u>SW</u> line. 22. Survey Perpendiculars: <u>300</u> ft from the <u>NW</u> line and <u>1582</u> ft from the <u>SW</u> line.							
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input 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	
08	85280300	SPRABERRY (TREND AREA)			Oil or Gas Well	9500	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Apr 12, 2016 5:14 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 14, 2016 8:47 AM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 14, 2016 8:47 AM]: Kelly Hamden submitted a revised P-16.; [RRC STAFF Apr 14, 2016 8:47 AM]: Distance to nearest well has been corrected, per plat, to show the nearest horizontal well.					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>Kelly Hamden, Regulatory Analyst</u> Name of filer <u>(303)405-6630</u> Phone </div> <div> <u>Apr 05, 2016</u> Date submitted <u>Kelly.Hamden@qepres.com</u> E-mail Address (OPTIONAL) </div> </div>		
RRC Use Only Data Validation Time Stamp: <u>Apr 18, 2016 8:50 AM(Current Version)</u>							

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

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Permit #	814860
Approved Date:	Apr 15, 2016

1. RRC Operator No. 684474	2. Operator's Name (exactly as shown on form P-5, Organization Report) QEP ENERGY COMPANY	3. Lease Name UNIVERSITY 7-1726	4. Well No. S 11SS
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 26	7. Block 7	8. Survey UL / A-U26	9. Abstract
		10. County of BHL MARTIN	
11. Terminus Lease Line Perpendiculars 1 ft. from the SE line. and 1880 ft. from the SW line			
12. Terminus Survey Line Perpendiculars 2640 ft. from the NW line. and 1880 ft. from the SW line			
13. Penetration Point Lease Line Perpendiculars 1 ft. from the NW line. and 1880 ft. from the SW 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">814860</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Apr 15, 2016</div>	DISTRICT <div align="center">* 08</div>																
API NUMBER <div align="center">42-317-40420</div>	FORM W-1 RECEIVED <div align="center">Apr 05, 2016</div>	COUNTY <div align="center">MARTIN</div>																
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Horizontal</div>	ACRES <div align="center">960</div>																
OPERATOR <div align="center">QEP ENERGY COMPANY</div> <div align="center">ATTN SOUTHERN DIV REGULATORY</div> <div align="center">1050 17TH ST SUITE 800</div> <div align="center">DENVER, CO 80265-0000</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 7-1726</div>		WELL NUMBER <div align="center">S 11SS</div>																
LOCATION <div align="center">20.7 miles NE direction from ANDREWS</div>		TOTAL DEPTH <div align="center">9500</div>																
Section, Block and/or Survey <div>SECTION ◀ 17 BLOCK ◀ 7 ABSTRACT ◀ U23</div> <div>SURVEY ◀ UL</div>																		
DISTANCE TO SURVEY LINES <div align="center">300 ft. NW 1582 ft. SW</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">100 ft.</div>																
DISTANCE TO LEASE LINES <div align="center">300 ft. NW 1582 ft. SW</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 style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">FIELD NAME LEASE NAME</th> <th style="width:10%;">ACRES NEAREST LEASE</th> <th style="width:10%;">DEPTH NEAREST LEASE</th> <th style="width:10%;">WELL # NEAREST WE</th> <th style="width:10%;">DIST</th> </tr> </thead> <tbody> <tr> <td>SPRABERRY (TREND AREA)</td> <td align="center">960.00</td> <td align="center">9,500</td> <td align="center">S 11SS</td> <td align="center">08</td> </tr> <tr> <td>UNIVERSITY 7-1726</td> <td align="center">100</td> <td></td> <td align="center">927</td> <td></td> </tr> </tbody> </table>				FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST	SPRABERRY (TREND AREA)	960.00	9,500	S 11SS	08	UNIVERSITY 7-1726	100		927	
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST														
SPRABERRY (TREND AREA)	960.00	9,500	S 11SS	08														
UNIVERSITY 7-1726	100		927															
WELLBORE PROFILE(s) FOR FIELD: Horizontal																		
RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 1.0 F NW L 1880.0 F SW L Terminus Location BH County: MARTIN Section: 26 Block: 7 Abstract: Survey: UL / A-U26 Lease Lines: 1.0 F SE L 1880.0 F SW L Survey Lines: 2640.0 F NW L 1880.0 F SW L																		
<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>																		

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 814860	DATE PERMIT ISSUED OR AMENDED Apr 15, 2016	DISTRICT * 08
API NUMBER 42-317-40420	FORM W-1 RECEIVED Apr 05, 2016	COUNTY MARTIN
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 960
OPERATOR QEP ENERGY COMPANY ATTN SOUTHERN DIV REGULATORY 1050 17TH ST SUITE 800 DENVER, CO 80265-0000		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: (432) 684-5581
LEASE NAME UNIVERSITY 7-1726		WELL NUMBER S 11SS
LOCATION 20.7 miles NE direction from ANDREWS		TOTAL DEPTH 9500
Section, Block and/or Survey SECTION 17 BLOCK 7 ABSTRACT U23 SURVEY UL		
DISTANCE TO SURVEY LINES 300 ft. NW 1582 ft. SW		DISTANCE TO NEAREST LEASE LINE 100 ft.
DISTANCE TO LEASE LINES 300 ft. NW 1582 ft. SW		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH 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**

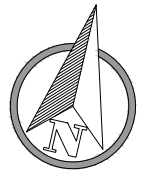
MARTIN (317) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
SANTA ROSA	1,000	1,000		1	12/17/2013
YATES	2,200	2,700		2	12/17/2013
QUEEN	4,100	4,100		3	12/17/2013
GRAYBURG	3,950	4,300		4	12/17/2013
SAN ANDRES	3,500	4,700	Active CO2 flood; high flows; H2S; corrosive	5	12/17/2013
CISCO	8,500	8,500		6	12/17/2013
SPRABERRY	6,500	8,500		7	12/17/2013
DEAN	6,500	9,500		8	12/17/2013
WOLFCAMP	8,600	9,600		9	12/17/2013
PENNSYLVANIAN	9,400	10,600		10	12/17/2013
STRAWN	10,100	10,600		11	12/17/2013
MISSISSIPPIAN	11,100	11,100		12	12/17/2013
FUSSELMAN	10,600	11,600		13	12/17/2013
SILURIAN	11,600	12,100		14	12/17/2013
DEVONIAN	11,500	12,200		15	12/17/2013
ELLENBURGER	13,200	13,200		16	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>

UNIVERSITY LANDS
BLOCK 7
SECTION 12
MARTIN AND ANDREWS
COUNTIES

OFFSET OPERATOR:
EXL PETROLEUM
MANAGEMENT, LLC.



NAD 83 (HPGN) GRID
TEXAS NORTH CENTRAL ZONE

0 500 1000
1" = 1000 FEET

OFFSET OPERATOR:
QEP

LEGEND

- SURVEY LINE
--- PROPOSED LATERAL
--- LEASE LINE
■ FOUND CONCRETE MONUMENT
○ CALCULATED CORNER
--- POOLED UNIT

NAD 83 (HPGN)
Y = 6,851,590.49
X = 822,917.43
NAD 27
Y = 302,244.23
X = 546,151.50

UNIVERSITY 7-26 #2
NAD 83 (HPGN)
Y = 6,846,250.61
X = 826,187.27
NAD 27
Y = 296,873.35
X = 549,370.16
ELEV. = 2935.8'

UNIVERSITY 7-26 #5
NAD 83 (HPGN)
Y = 6,844,963.06
X = 826,484.39
NAD 27
Y = 295,583.01
X = 549,654.96
ELEV. = 2935.6'

OFFSET OPERATOR:
PIONEER

UNIVERSITY LANDS
BLOCK 7
SECTION 17
MARTIN AND ANDREWS
COUNTIES

UNIVERSITY 7-1726
TRACT A=320 ACRES
QEP ENERGY COMPANY

UNIVERSITY 7-1726
TRACT B=320 ACRES
QEP ENERGY COMPANY

STATE OF
TEX AR #2D
INJECTION

UNIVERSITY 7-1726

NAD 83 (HPGN)
Y = 6,847,042.44
X = 826,680.21
NAD 27
Y = 297,660.45
X = 549,870.63

UNIVERSITY 7-17 #2
NAD 83 (HPGN)
Y = 6,851,392.26
X = 824,994.72
NAD 27
Y = 302,026.20
X = 548,226.78
ELEV. = 2933.6'

UNIVERSITY 7-17 #7
NAD 83 (HPGN)
Y = 6,850,297.03
X = 825,445.70
NAD 27
Y = 300,926.71
X = 548,667.27
ELEV. = 2932.8'

NAD 83 (HPGN)
Y = 6,847,637.21
X = 829,251.54
NAD 27
Y = 298,230.69
X = 552,447.49

SURFACE HOLE LOCATION
300' FNL 1582' FWL LEASE
300' FNL 1582' FWL SECTION 17

NAD 83 (HPGN)
Y = 6,851,655.20 X = 824,526.35
LAT: 32°24'29.70" N LONG: 102°12'27.26" W
NAD 27
Y = 302,293.60 X = 547,760.95
LAT: 32°24'29.32" N LONG: 102°12'25.70" W
LAT: 32.408250° N LONG: 102.207571° W

PENETRATION POINT
1' FNL, 1880' FWL LEASE
1' FNL 1880' FWL SECTION 17

NAD 83 (HPGN)
Y = 6,852,013.66 X = 824,749.19
LAT: 32°24'33.32" N LONG: 102°12'24.81" W
NAD 27
Y = 302,649.93 X = 547,987.20
LAT: 32°24'32.95" N LONG: 102°12'23.25" W
LAT: 32.409152° N LONG: 102.206457° W

FIRST TAKE POINT
100' FNL 1880' FWL LEASE
100' FNL 1880' FWL SECTION 17

NAD 83 (HPGN)
Y = 6,851,917.21 X = 824,771.54
LAT: 32°24'32.38" N LONG: 102°12'24.51" W
NAD 27
Y = 302,553.27 X = 548,008.63
LAT: 32°24'32.00" N LONG: 102°12'22.95" W
LAT: 32.408888° N LONG: 102.206374° W

LAST TAKE POINT
100' FSL, 1880' FWL LEASE
2541' FNL, 1880' FWL SECTION 26

NAD 83 (HPGN)
Y = 6,844,396.57 X = 826,515.05
LAT: 32°23'18.61" N LONG: 102°12'01.09" W
NAD 27
Y = 295,016.24 X = 549,680.21
LAT: 32°23'18.23" N LONG: 102°11'59.53" W
LAT: 32.388397° N LONG: 102.199871° W

BOTTOM HOLE LOCATION
1' FSL, 1880' FWL LEASE
2640' FNL, 1880' FWL SECTION 26

NAD 83 (HPGN)
Y = 6,844,300.13 X = 826,537.41
LAT: 32°23'17.66" N LONG: 102°12'00.79" W
NAD 27
Y = 294,919.59 X = 549,701.65
LAT: 32°23'17.28" N LONG: 102°11'59.23" W
LAT: 32.388134° N LONG: 102.199787° W

LINE	BEARING	DISTANCE
L1	N 31°52'03" E	422.08'
L2	S 13°03'08" E	99.00'
L3	S 13°03'08" E	7720.10'
L4	S 13°03'08" E	99.00'

NAD 83 (HPGN)
Y = 6,841,303.15
X = 825,303.15
NAD 27
Y = 293,934.47
X = 548,438.84

OFFSET OPERATOR:
HANLEY

OFFSET OPERATOR:
QEP

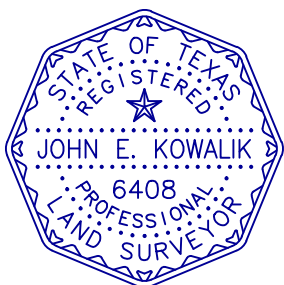
NAD 83 (HPGN)
Y = 6,845,065.06
X = 829,848.25
NAD 27
Y = 295,652.93
X = 553,019.60

NAD 83 (HPGN)
Y = 6,842,492.91
X = 830,444.95
NAD 27
Y = 293,075.18
X = 553,591.70

UNIVERSITY LANDS
BLOCK 7
SECTION 26
MARTIN COUNTY

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT SURFACE
LOCATION AS STAKED ON THE GROUND.

JOHN E. KOWALIK
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6408



PLAT OF:

A PROPOSED WELL LOCATION FOR:

QEP ENERGY COMPANY

UNIVERSITY 7-1726

UNIVERSITY 7-1726 S 11SS

SITUATED IN THE UNIVERSITY LANDS, BLOCK 7, SECTIONS
17 AND 26, AND BEING APPROXIMATELY 20.7 MILES
NORTHEAST OF ANDREWS IN MARTIN COUNTY, TEXAS.

FRANK
SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
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DATE: 03/07/16
DRAWN BY: JK
CHECKED BY: JK
FIELD CREW: RR/KN
PROJECT NO: 2015081000
SCALE: 1" = 1000'
SHEET: 1 OF 1
REVISION: NO

GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 (HPGN) "TEXAS NORTH CENTRAL ZONE", AND BASED ON "GLASS" NGS MONUMENT (Y = 6,817,164.36, X = 834,131.39)
- VERTICAL DATUM IS NAVD 88
- LATITUDE AND LONGITUDE ARE NAD 83 (HPGN) AS SHOWN
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- UNITS ARE UNITED STATES SURVEY FOOT.
- ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

PLOT DATE: 03/07/16 1:55 P.M.