

API No. <u>42-317-40525</u> Drilling Permit # <u>817402</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 7-0213			5. Well No. N 06SA				
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 9300		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>22.1</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 16	16. Block 7	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: 640	
21. Lease Perpendiculars: <u>121</u> ft from the <u>NORTH</u> line and <u>1102</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>121</u> ft from the <u>NORTH</u> line and <u>1102</u> ft from the <u>EAST</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	31. Distance to Nearest Well in this Reservoir	
08	85280300	SPRABERRY (TREND AREA)		Oil or Gas Well	9300	400.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Aug 8, 2016 12:34 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 8, 2016 12:36 PM]: Changed SHL and BHL survey information to match RRC GIS and plat.; [RRC STAFF Aug 8, 2016 1:14 PM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 8, 2016 1:15 PM]: Revised P16 attached.				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>Melissa Luke, Regulatory Affairs</u> Name of filer <u>(303)3083610</u> Phone </div> <div> <u>Aug 01, 2016</u> Date submitted <u>melissa.luke@qepres.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Aug 8, 2016 4:27 PM(Current Version)							

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 #	817402
Approved Date:	Aug 08, 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 7-0213	4. Well No. N 06SA
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 2	7. Block 7	8. Survey UL	9. Abstract
		10. County of BHL MARTIN	
11. Terminus Lease Line Perpendiculars 1 ft. from the NORTH line. and 979 ft. from the WEST line			
12. Terminus Survey Line Perpendiculars 1 ft. from the NORTH line. and 1660 ft. from the EAST line			
13. Penetration Point Lease Line Perpendiculars 1 ft. from the SOUTH line. and 980 ft. from the WEST 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 817402	DATE PERMIT ISSUED OR AMENDED Aug 08, 2016	DISTRICT * 08																																									
API NUMBER 42-317-40525	FORM W-1 RECEIVED Aug 01, 2016	COUNTY MARTIN																																									
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 640																																									
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																																									
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LOCATION 22.1 miles NE direction from ANDREWS		TOTAL DEPTH 9300																																									
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<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</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.																																											

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;">817402</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Aug 08, 2016</div>	DISTRICT <div style="text-align: center;">* 08</div>										
API NUMBER <div style="text-align: right;">42-317-40525</div>	FORM W-1 RECEIVED <div style="text-align: center;">Aug 01, 2016</div>	COUNTY <div style="text-align: center;">MARTIN</div>										
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;">640</div>										
OPERATOR <div style="text-align: right;">684474</div> <div style="text-align: center;">QEP ENERGY COMPANY</div> 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 <div style="text-align: center;">UNIVERSITY 7-0213</div>		WELL NUMBER <div style="text-align: center;">N 06SA</div>										
LOCATION <div style="text-align: center;">22.1 miles NE direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">9300</div>										
Section, Block and/or Survey SECTION ⚡ 16 BLOCK ⚡ 7 ABSTRACT ⚡ SURVEY ⚡ UL												
DISTANCE TO SURVEY LINES <div style="text-align: center;">121 ft. NORTH 1102 ft. EAST</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">100 ft.</div>										
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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**

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>

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date May 29, 2015

GAU File No.: 9880

API Number 31740196

Attention: ROSALINE KINARD

RRC Lease No. 000000

SC_684474_31740196_000000_9880.pdf

OEP ENERGY COMPANY
6100 S YALE AVE
STE 900
TULSA OK 74136

P-5# 684474

--Measured--

2235 ft FEL

260 ft FSL

MRI:SECTION

Digital Map Location:

X-coord/Long -102.186954

Y-coord/Lat 32.414545

Datum 83

Zone

County MARTIN

Lease & Well No. UNIVERSITY 7-1302 #H1MS

Purpose ND

Location SUR-UL, A-U19, BLK-07, SEC-13, -- [TD=9000] , [RRC 08] ,

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 a depth of 350 feet must be protected.

This recommendation is applicable to all wells drilled in this SECTION
13 ON THIS LEASE.

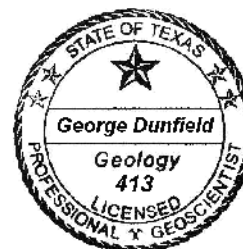
Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form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

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

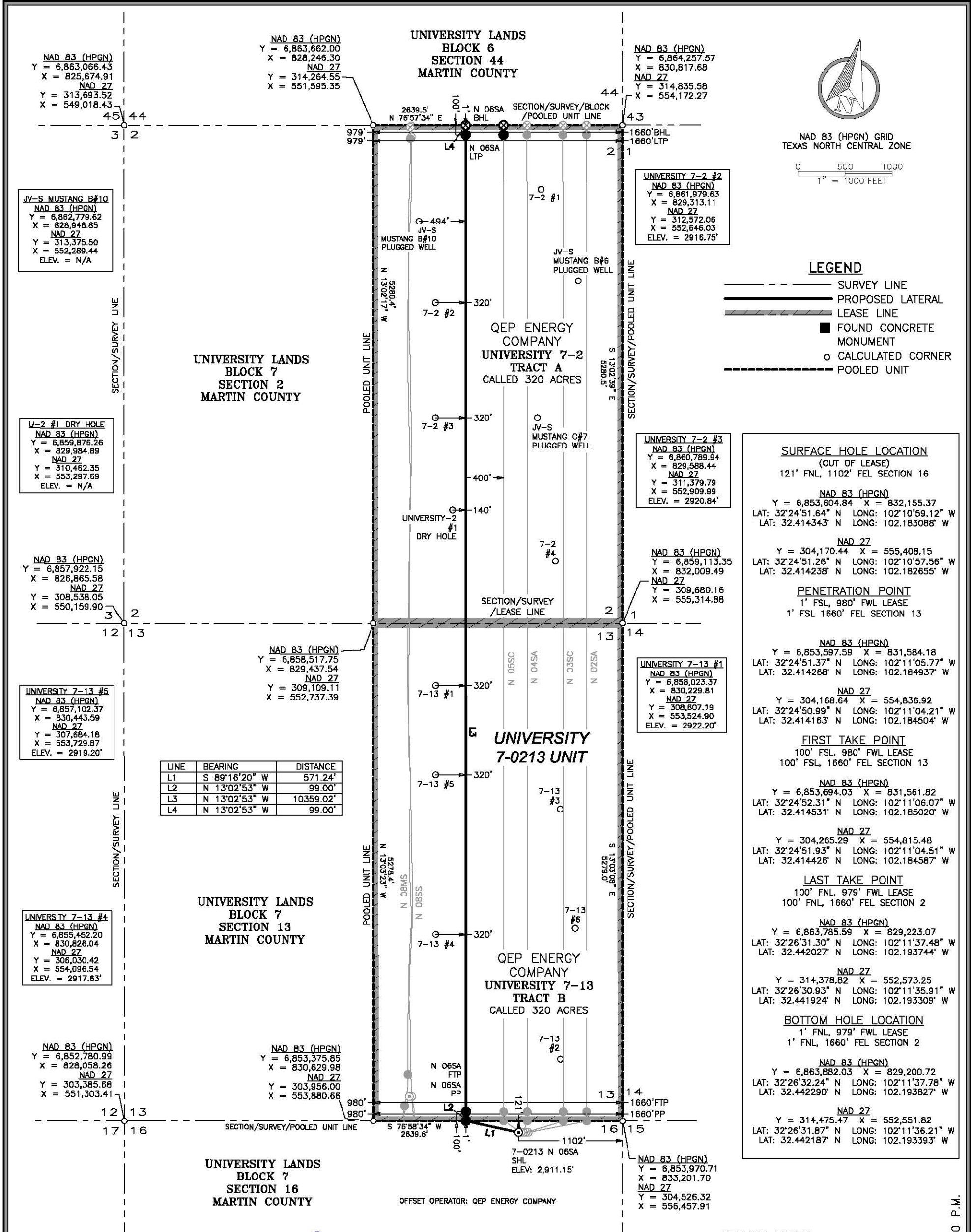
GEOLOGIST SEAL

George Dunfield, P.G.



Geologist, Groundwater Advisory Unit
Oil & Gas Division

The seal appearing on this document was authorized by George Dunfield on 5/29/2015
Note: Alteration of this electronic document will invalidate the digital signature.



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

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



PLAT OF:
A PROPOSED WELL LOCATION FOR:
QEP ENERGY COMPANY
UNIVERSITY 7-0213 UNIT
UNIVERSITY 7-0213 N 06SA

SITUATED IN THE UNIVERSITY LANDS SURVEYS,
BLOCK 7, SECTION 2, SECTION 13, AND SECTION
16, AND BEING APPROXIMATELY 22.1 MILES
NORTHEAST OF ANDREWS IN MARTIN COUNTY, TEXAS.

FSC INC
SURVEYORS + ENGINEERS
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPB Firm 17957 | TBPB Firm 10193887
www.fscinc.net
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DATE: 07/28/16
DRAWN BY: JK
CHECKED BY: JK
FIELD CREW: RE
PROJECT NO: 2016070599
SCALE: 1" = 1000'
SHEET: 1 OF 1
REVISION: 1

- 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: 07/28/16 3:30 P.M.