

API No. <u>42-383-39819</u> Drilling Permit # <u>823577</u> SWR Exception Case/Docket No. _____		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <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>				<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>	
1. RRC Operator No. <b>766370</b>		2. Operator's Name (as shown on form P-5, Organization Report) <b>SEM OPERATING COMPANY LLC</b>		3. Operator Address (include street, city, state, zip): <b>SUITE 1850</b> <b>2050 WEST SAM HOUSTON PKWY S</b> <b>HOUSTON, TX 77042-0000</b>			
4. Lease Name <b>UNIVERSITY 9C</b>		5. Well No. <b>1207WA</b>					
<b>GENERAL INFORMATION</b>							
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 <b>10000</b>		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			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <b>7C</b>		12. County <b>REAGAN</b>		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>13.5</u> miles in a <u>NW</u> direction from <u>Big Lake</u> which is the nearest town in the county of the well site.							
15. Section <b>12</b>		16. Block <b>9</b>		17. Survey <b>UL</b>		18. Abstract No. <b>A-</b>	
				19. Distance to nearest lease line: <b>100</b> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>4926.74</b>	
21. Lease Perpendiculars: <u>600</u> ft from the <u>NORTH</u> line and <u>2310</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>600</u> ft from the <u>NORTH</u> line and <u>2310</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		
<b>FIELD INFORMATION</b> 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	53613750	LIN (WOLFCAMP)		Oil or Gas Well	10000	1980.00	
<b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
<b>Remarks</b>    				<b>Certificate:</b> 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 21, 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>			
<b>RRC Use Only</b>							
Data Validation Time Stamp: Mar 1, 2017 4:04 PM( Current Version )							

Permit Status: <b>Approved</b>  <i>The RRC has not approved this application.          Duplication or distribution of information is          at the user's own risk.</i>
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RAILROAD COMMISSION OF TEXAS  
 OIL & GAS DIVISION

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

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Permit #	823577
Approved Date:	Feb 28, 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 9C	4. Well No. 1207WA
Lateral Drainhole Location Information			
5. Field as shown on Form W-1      LIN (WOLFCAMP) (Field # 53613750, RRC District 7C)			
6. Section 21	7. Block 58	8. Survey UL	9. Abstract
		10. County of BHL REAGAN	
11. Terminus Lease Line Perpendiculars 5 ft. from the North line. and 2310 ft. from the East line			
12. Terminus Survey Line Perpendiculars 5 ft. from the North line. and 2310 ft. from the East line			
13. Penetration Point Lease Line Perpendiculars 10535 ft. from the North line. and 4949 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"><b>823577</b></div>	DATE PERMIT ISSUED OR AMENDED <div align="center"><b>Feb 28, 2017</b></div>	DISTRICT <div align="center"><b>* 7C</b></div>																																									
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<div align="center"><b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b></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>																																											

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**OIL & GAS DIVISION**

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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**

**REAGAN (383) County**

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
GRAYBURG	1,500	2,500		1	12/17/2013
QUEEN	1,900	2,500		2	12/17/2013
SAN ANDRES	2,000	5,000	saltwater flow, possibly heavy	3	12/17/2013
CLEARFORK	3,300	4,000		4	12/17/2013
SPRABERRY	3,300	10,000		5	12/17/2013
STRAWN	9,300	10,200		6	12/17/2013
FUSSELMAN	8,800	11,000		7	12/17/2013
ELLENBURGER	8,700	10,500		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>

