

API No. <u>42-105-42216</u> Drilling Permit # <u>804163</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <small>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.</small>				FORM W-1 07/2004 Permit Status: Approved		
1. RRC Operator No. 378535		2. Operator's Name (as shown on form P-5, Organization Report) HENRY RESOURCES LLC			3. Operator Address (include street, city, state, zip): 3525 ANDREWS HIGHWAY MIDLAND, TX 79703-0000			
4. Lease Name UNIVERSITY BL			5. Well No. 7265NH					
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 10605		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>12.8</u> miles in a <u>SW</u> direction from <u>Big Lake</u> which is the nearest town in the county of the well site.								
15. Section 26	16. Block 7	17. Survey UL		18. Abstract No. A-U46	19. Distance to nearest lease line: 7300 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 35538.92		
21. Lease Perpendiculars: <u>7300</u> ft from the <u>SOUTH</u> line and <u>13676</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>1800</u> ft from the <u>SOUTH</u> line and <u>2160</u> ft from the <u>WEST</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	32. Number of Wells on this lease in this Reservoir
7C	85279200	SPRABERRY (TREND AREA)			Oil or Gas Well	10605	1690.00	8
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)								
<u>Remarks</u> [RRC STAFF Feb 26, 2015 1:40 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Feb 26, 2015 4:45 PM]: Problems identified with this permit are resolved.; [RRC STAFF Feb 26, 2015 4:45 PM]: Revised plat attached per Keisha Stark.; [RRC STAFF Feb 27, 2015 10:16 AM]: Changed bottom county and survey information to match RRC GIS.; [RRC STAFF Feb 27, 2015 11:11 AM]: Changed well count to 8 to reflect data provided by the P-16. Only the horizontal wells should be counted in the well count for the W-1.						<u>Certificate:</u> I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="text-align: right;"> <u>Keisha Stark</u> <u>Feb 26, 2015</u> Name of filer Date submitted </div> <div style="text-align: right;"> <u>(432)6943000</u> <u>kstark@henryresources.com</u> Phone E-mail Address (OPTIONAL) </div>		
RRC Use Only Data Validation Time Stamp: Mar 2, 2015 10:16 AM(Current Version)								

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

Form W-1H 07/2004
 Supplemental Horizontal Well Information

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

This facsimile W-1 was generated electronically from data submitted to the RRC.
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Permit #	804163
Approved Date:	Feb 27, 2015

1. RRC Operator No. 378535	2. Operator's Name (exactly as shown on form P-5, Organization Report) HENRY RESOURCES LLC	3. Lease Name UNIVERSITY BL	4. Well No. 7265NH
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Lateral Drainhole Location Information

5. Field as shown on Form W-1	SPRABERRY (TREND AREA) (Field # 85279200, RRC District 7C)
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6. Section 21	7. Block 7	8. Survey UL	9. Abstract	10. County of BHL REAGAN
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	11. Terminus Lease Line Perpendiculars 15250 ft. from the south line. and 13675 ft. from the east line			
	12. Terminus Survey Line Perpendiculars 800 ft. from the north line. and 2160 ft. from the west line			
	13. Penetration Point Lease Line Perpendiculars 7300 ft. from the south line. and 13676 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 style="text-align: right;">804163</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Feb 27, 2015</div>	DISTRICT <div style="text-align: center;">* 7C</div>			
API NUMBER <div style="text-align: right;">42-105-42216</div>	FORM W-1 RECEIVED <div style="text-align: center;">Feb 26, 2015</div>	COUNTY <div style="text-align: center;">CROCKETT</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;">35538.92</div>			
OPERATOR <div style="text-align: right;">378535</div> <div style="text-align: center;">HENRY RESOURCES LLC</div> <div style="text-align: center;">3525 ANDREWS HIGHWAY</div> <div style="text-align: center;">MIDLAND, TX 79703-0000</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 style="text-align: center;">(325) 657-7450</div>			
LEASE NAME <div style="text-align: center;">UNIVERSITY BL</div>		WELL NUMBER <div style="text-align: center;">7265NH</div>			
LOCATION <div style="text-align: center;">12.8 miles SW direction from BIG LAKE</div>		TOTAL DEPTH <div style="text-align: center;">10605</div>			
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION 26</div> <div>BLOCK 7</div> <div>ABSTRACT U46</div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY UL</div> </div>					
DISTANCE TO SURVEY LINES <div style="text-align: center;">1800 ft. SOUTH 2160 ft. WEST</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">7300 ft.</div>			
DISTANCE TO LEASE LINES <div style="text-align: center;">7300 ft. SOUTH 13676 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>					
FIELD NAME <div style="text-align: center;">LEASE NAME</div>		ACRES <div style="text-align: center;">NEAREST LEASE</div>	DEPTH <div style="text-align: center;">NEAREST WE</div>	WELL # <div style="text-align: center;">NEAREST WE</div>	DIST
<div style="border-top: 1px dashed black; padding-top: 5px;"> SPRABERRY (TREND AREA) <div style="text-align: center;">UNIVERSITY BL</div> </div>		<div style="border-top: 1px dashed black; padding-top: 5px; text-align: center;"> 35538.92 7300 </div>	<div style="border-top: 1px dashed black; padding-top: 5px; text-align: center;"> 10,605 1690 </div>	<div style="border-top: 1px dashed black; padding-top: 5px; text-align: center;"> 7265NH 1690 </div>	<div style="border-top: 1px dashed black; padding-top: 5px; text-align: center;"> 7C </div>
<div style="border-top: 1px dashed black; padding-top: 5px;"> WELLBORE PROFILE(s) FOR FIELD: Horizontal </div>					
RESTRICTIONS: <div style="margin-left: 20px;"> Lateral: TH1 Penetration Point Location <div style="margin-left: 20px;"> Lease Lines: 7300.0 F SOUTH L 13676.0 F EAST L </div> Terminus Location <div style="margin-left: 20px;"> BH County: REAGAN Section: 21 Block: 7 Abstract: Survey: UL Lease Lines: 15250.0 F SOUTH L 13675.0 F EAST L Survey Lines: 800.0 F NORTH L 2160.0 F WEST L </div> </div>					

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

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DISTANCE TO LEASE LINES <div style="text-align: center;">7300 ft. SOUTH 13676 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; margin-top: 20px;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div> <div style="margin-top: 20px;"> <table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">FIELD NAME</td> <td style="width: 15%;">ACRES</td> <td style="width: 15%;">DEPTH</td> <td style="width: 15%;">WELL #</td> <td style="width: 15%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table> </div> <div style="margin-top: 20px;"> <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> </div>			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									

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.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date **March 4, 2015**

GAU File No.: **15825**

API Number **10542216**

Attention: **KEISHA STARK**

RRC Lease No. **000000**

SC_378535_10542216_000000_15825.pdf

**HENRY RESOURCES LLC
3525 ANDREWS HWY
MIDLAND TX 79703**

--Measured--

2160 ft FWL

1800 ft FSL

MRL:SECTION

Digital Map Location:

X-coord/Long **101.61358**

Y-coord/Lat **31.06001**

Datum **27**

Zone

P-5# 378535

County **CROCKETT**

Lease & Well No. **UNIVERSITY BL #7265NH**

Purpose **ND**

Location **SUR-UL,A-U46,BLK-7,SEC-26,-- [TD=10605] , [RRC 7C] ,**

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 of 875 feet, must be protected.

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,

George Dunfield, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

Form GW-2
Rev. 02/2014

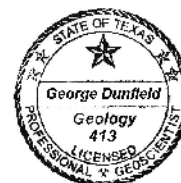
P.O. Box 12967

Austin, Texas 78711-2967

512-463-2741

Internet address: www.rrc.state.tx.us

GEOLOGIST SEAL



The seal appearing on this document was authorized by George Dunfield on 3/4/2015
Note: Alteration of this electronic document will invalidate the digital signature.



SCALE = 1:1000

SS Stark Surveying LLC.
3300 N. "A" STREET BLDG. 1 STE. 200
MIDLAND, TEXAS
(432)885-3800, (FAX) 885-3865
FIRM No. 10102700

LEGEND	
FENCES=	— X — X — X —
ROADS=	— + — + — + —
PIPELINES=	— I — I — I —
ELECTRIC LINES=	— E — E — E —
SECTION LINES=	— S — S — S —
LEASE LINES=	— L — L — L —
BLOCK LINES=	— B — B — B —
STAKED WELLS=	— W — W — W —
WELLS=	— W — W — W —

DATUM
NAD27, TX-C,
BEARINGS ARE GRID,
DISTANCES ARE SURFACE

SURFACE HOLE LOCATION
ELEV.=2806'
X=1599155.69
Y=509045.05
LAT.=N031.060012
LONG.=W101.613588
SECTION:1800'FSL & 2160'FWL
LEASE:7300'FSL & 13676'FEL

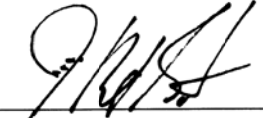
BOTTOM HOLE LOCATION
X=1599320.62
Y=516993.36
LAT.=N031.081870
LONG.=W101.613353
SECTION:800'FNL & 2160'FWL
LEASE:15250'FSL & 13675'FEL

PENETRATION POINT
X=1599155.69
Y=509045.05
LAT.=N031.060012
LONG.=W101.613588
SECTION:1800'FSL & 2160'FWL
LEASE:7300'FSL & 13676'FEL

FIRST TAKE POINT
X=1599155.69
Y=509045.05
LAT.=N031.060012
LONG.=W101.613588
SECTION:1800'FSL & 2160'FWL
LEASE:7300'FSL & 13676'FEL

LAST TAKE POINT
X=1599319.58
Y=516943.37
LAT.=N031.081733
LONG.=W101.613355
SECTION:850'FNL & 2160'FWL
LEASE:15200'FSL & 13675'FEL

I, JIMMIE ROBERT STARK, A REGISTERED PROFESSIONAL LAND SURVEYOR OF THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE ABOVE PLAT REPRESENTS A SURVEY ACTUALLY MADE ON THE GROUND UNDER MY SUPERVISION.


JIMMIE ROBERT STARK
REGISTERED PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 4960



DATED: February 24, 2015
SS JOB No.: 84755

UNIVERSITY BL No. 7265NH

LOCATED IN
SECTION 26, BLOCK 7,
UNIVERSITY LAND,
CROCKETT COUNTY, TEXAS

SECTION ACREAGE:	±639 Ac. (SEC. 26)	LEASE ACREAGE:	N/A
NEAREST TOWN:	APPROXIMATELY 12.8 MILES SOUTHWEST OF BIG LAKE, TEXAS.		
DRAWN:	CJP	OPERATOR: HENRY RESOURCES, LLC	
CHECKED:	JRS		
GPS NAME:	LONEWOLF TSC3		

