



# UNIVERSITY LANDS

FUNDING THE UNIVERSITY OF TEXAS AND TEXAS A&M UNIVERSITY SYSTEMS SINCE 1839

[www.utlands.utsystem.edu](http://www.utlands.utsystem.edu)

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March 2, 2016

**Attention: Whit Meyers**  
PPC Operating Company, LLC  
10355 Centrepark Drive, Suite 100  
Houston, TX 77043

RE: **UT Lease #73556:** W/2 of Section 28, Block 1, University Land Survey,  
Reagan County, Texas

Dear Mr. Meyers,

Receipt is acknowledged of a completed Shut-In Certificate and your check number 34425 in the amount of \$1,200<sup>00</sup> representing the shut-in royalty payment for the University "28-1A well.

Approval has been granted to your shut-in request and this lease remains in full force and effect from February 26, 2016, through midnight September 25, 2016. No additional shut-in requests will be accepted.

Should you have any questions or need additional information, please feel free to contact me at (432) 686-4775 or via email at [bunderwood@utsystem.edu](mailto:bunderwood@utsystem.edu).

Sincerely,

Buck Underwood  
Landman

cc: University Lands: James, Holtzclaw, Cindy Brooks, Buck Underwood, Lisa Belue, Kaci Chambers, Justin McGill

**Board for Lease of University Lands  
Shut-In Certificate**

LEASE NO.	PART of SECTION	SECTION	BLOCK	ACRES	COUNTY
73556	W/2	28	1	320	Reagan

Operator Name: PPC Operating Company LLC Attention: Whit Myers  
Mailing Address: 10355 Centrepark Drive, Suite 100 Delivery Address: 10355 Centrepark Drive, Suite 100  
City, State, Zip: Houston, Texas 77043 City, State, Zip: Houston, Texas 77043  
Phone Number: 281-296-7222 E-Mail Address: wmyers@plantationpetro.com

The undersigned, a working interest owner of the above-described lease, hereby tenders the sum of \$1,200 as a shut-in royalty payment as described in said lease.

Well Name	Well No.	RRC No.	Field Name	Well Classification
University "28-A"	1	4238331957	Spraberry (Trend Area) (7C)	Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/>

I represent and certify that the following statements are true and correct:

This well is capable of producing oil and gas in paying quantities.

This well was shut-in on (Date) 1/6/2016 Initial WM

OIL: There were (Number) 10 potential Bbls/day, and \_\_\_\_\_ MCF/day of casinghead gas

GAS: There were (Number) \_\_\_\_\_ potential MCF/day of gas well gas

Distance to nearest pipeline: \_\_\_\_\_ Nearest purchaser: \_\_\_\_\_ Price per MCF or Bbl. offered: \_\_\_\_\_

Do suitable production facilities for this well exist?  Yes  No

If "No", state why and identify any existing production facilities: \_\_\_\_\_

Does a suitable market exist?  Yes  No

If "No", state why: \_\_\_\_\_

Attached is the corresponding (G-1/W-2) completion report for this well.

Whit Myers  
Signature

Whit Myers  
Name - Please type or print

PPC Operating Company LLC  
For (Company Name) - Please type or print

Land Manager  
Title

2/25/2016  
Date

10355 Centrepark Drive, Suite 100  
Address

Houston, TX 77043



THE UNIVERSITY OF TEXAS SYSTEM

**MEMORANDUM**

March 2, 2016

**FROM:** Buck Underwood

**SUBJECT:**

UT Lease #:	73556
County:	Reagan
Block:	1
Section:	W/2 of Section 28
Well Name:	University 28-1
Operator:	PPC Operating Company, LLC
Shut-In Date:	February 25, 2016
Shut-In Payment Received:	February 26, 2016

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**I HAVE REVIEWED TO:**

- 1) Check for drainage
- 2) Verify well location
- 3) Identify reservoirs
- 4) Inspect production facilities

**RESULTS OF THE REVIEW ARE:**

- 1) There is no drainage from any other well



Whit Myers  
Land Manager

February 25, 2016

James Holtzclaw  
704 W Dengar Ave  
Midland, TX 79705

Re: UL Lease #73556

Dear Mr. Holtzclaw,

PPC's University 28-1A well in Reagan County, TX (UL Lease #73556) stopped pumping on 1/6/16. On 1/14/16, PPC rigged up for what was thought to be a downhole pump issue. The pump and rods were pulled and large amounts of paraffin were found on the rods and in the pump. It was also discovered that the rod couplings had severe wear which leads us to believe there could also be a hole in the tubing. After making several attempts to pull the tubing, a free point survey was run and the tubing was found to be stuck close to the TAC at 6055'. In order to remove the tubing, fishing equipment would be needed. The decision was made to run back in with some rods from inventory and a refurbished pump to see if the well will pump. PPC rigged off of the well on 1/20/16 and it wouldn't surface fluid.

Approximately \$35,000 has been spent to date on this well. In order to remove the tubing, fishing equipment would be needed. We estimate that it would cost a minimum of an additional \$50,000 to \$100,000 to fish and replace the bad joints of tubing if everything goes according to plan.

The lease gives us 60 days from the last rig release to get back on the well. We certainly don't want to lose the lease and we plan to bring this well back to production. We are trying to decide the next steps to take but are having difficulty determining the reasons why we have had repeat failures on this well and also difficulty finding the best solution for fixing this well given the current commodity environment. We would like to have an extension on the cessation of production clause within the lease in order to give us a little more time to evaluate what is causing the issues on this well as well as a solution for a more permanent fix. If agreeable, **we would like to shut-in the well for 6 months from today, until 9/25/16, while we consult with our partners in the well and determine the best way to bring this well back to production.**

Please contact me if you have any questions or would like to discuss in greater detail. I can be reached by phone at (281) 598-7570 or via email at [wmyers@plantationpetro.com](mailto:wmyers@plantationpetro.com).

Best Regards,

Whit Myers