



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

PERMIT TO DISPOSE OF NON-HAZARDOUS OIL AND GAS WASTE BY INJECTION INTO A POROUS FORMATION NOT PRODUCTIVE OF OIL AND GAS

PERMIT NO. 14046 AMENDMENT

DAKOTA RESOURCES, INC. (I)
4914 N MIDKIFF RD
MIDLAND, TX 79705

Authority is granted to inject Non-Hazardous Oil and Gas waste into the well identified herein in accordance with Statewide Rule 9 of the Railroad Commission of Texas and based on information contained in the application (Form W-14) dated December 20, 2012 and subject to the following terms and special conditions:

UNIVERSITY EMILIE (000000) LEASE
SPRABERRY (TREND AREA) FIELD
ANDREWS COUNTY
DISTRICT 08

WELL IDENTIFICATION AND PERMIT PARAMETERS:

Well No.	API No.	UIC Number	Permitted Fluids	Top Interval (feet)	Bottom Interval (feet)	Maximum Liquid Daily Injection Volume (BBL/day)	Maximum Gas Daily Injection Volume (MCF/day)	Maximum Surface Injection Pressure for Liquid (PSIG)	Maximum Surface Injection Pressure for Gas (PSIG)
2D	00310951	000107294	Salt Water	4993	5600	2000	NA	2496	NA

SPECIAL CONDITIONS:

Well No.	API No.	Special Conditions
2D	00310951	<ol style="list-style-type: none">1. An annual annulus pressure test must be performed and the results submitted in accordance with the instructions of Form H-5.2. The tubing-casing annulus pressure must be monitored at least weekly and reported annually on Form H-10 to the Commission's Austin Office.

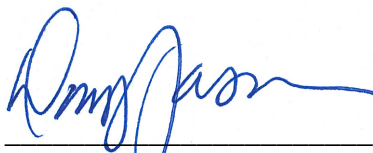
STANDARD CONDITIONS:

1. Injection must be through tubing set on a packer. The packer must be set no higher than 100 feet above the top of the permitted interval.

2. The District Office must be notified 48 hours prior to:
 - a. running tubing and setting packer;
 - b. beginning any work over or remedial operation;
 - c. conducting any required pressure tests or surveys.
3. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.
4. Prior to beginning injection and subsequently after any work over, an annulus pressure test must be performed. The test pressure must equal the maximum authorized injection pressure or 500 psig, whichever is less, but must be at least 200 psig. The test must be performed and the results submitted in accordance with the instructions of Form H-5.
5. The injection pressure and injection volume must be monitored at least monthly and reported annually on Form H-10 to the Commission's Austin office.
6. Within 30 days after completion, conversion to disposal, or any work over which results in a change in well completion, a new Form W-2 or G-1 must be filed to show the current completion status of the well. The date of the disposal well permit and the permit number must be included on the new Form W-2 or G-1.
7. Written notice of intent to transfer the permit to another operator by filing Form P-4 must be submitted to the Commission at least 15 days prior to the date of the transfer.
8. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission. Furthermore, permits issued for wells to be drilled will expire three (3) years from the date of the permit unless drilling operations have commenced.

Provided further that, should it be determined that such injection fluid is not confined to the approved interval, then the permission given herein is suspended and the disposal operation must be stopped until the fluid migration from such interval is eliminated. Failure to comply with all of the conditions of this permit may result in the operator being referred to enforcement to consider assessment of administrative penalties and/or the cancellation of the permit.

APPROVED AND ISSUED ON April 18, 2013.



Doug O. Johnson, PE
Assistant Director
for Technical Permitting

Amendment Comments:

Well No.	API No.	Amendment Comments
2D	00310951	1. In-house amends permit dated April 11, 2013. 2. Amended to correct the lease name from University Emillie and the API No. from 003-01095.

RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

Form W-14

05/2004

MIL0205

APPLICATION TO DISPOSE OF OIL AND GAS WASTE BY INJECTION INTO A FORMATION NOT PRODUCTIVE OF OIL AND GAS

1. Operator Name <u>Dakota Resources, Inc. (I)</u>			2. Operator P-5 No. <u>197416</u>		
3. Operator Address: <u>4914 N. Midkiff Rd., Midland, Texas 79705</u>					
4. County <u>Andrews</u>			5. RRC District No. <u>08</u>		
6. Field Name <u>Spraberry (Trend Area)</u>			7. Field Number <u>85280300</u>		
8. Lease Name <u>University Emilie</u>			9. Lease/Gas ID No. <u>N/A</u>		
10. Well is <u>9</u> miles in a <u>NE</u> direction from <u>Andrews</u> (center of nearest town).					
11. No. acres in lease <u>320</u>					
12. Legal description of location including distance and direction from survey lines <u>467' FNL & 1,240' FEL Sec. 35, Blk. 4, UL Survey A-U97</u>					
13. Latitude/Longitude, if known (Optional) Lat. _____ Long. _____					
14. New Permit: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no, amendment of Permit No. _____ UIC# _____					
15. Reason for amendment: Pressure <input type="checkbox"/> Volume <input type="checkbox"/> Interval <input type="checkbox"/> Commercial <input type="checkbox"/> Other (explain) _____					
16. Well No. 2D	17. API No. 42-003-10951	18. Date Drilled 11/20/1967		19. Total Depth Prop. 5,600'	20. Plug Date, if re-entry 03/09/1973
Casing	Size	Setting Depths	Hole Size	Casing Weight	Cement Class
21. Surface	8 5/8"	309'	12 1/4"	24#	210
22. Intermediate					
23. Long String	5 1/2"	4,993'	7 7/8"	15.5#	950
24. Liner					
25. Other					
26. Depth to base of Deepest Freshwater Zone <u>1,700'</u>			27. Multiple completion? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
28. Multistage cement? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, DV Tool Depth: _____ ft.			No. Sacks: _____ Top of Cement: _____		
29. Bridge Plug Depth: _____ ft.			30. Injection Tubing Size: <u>2 3/8</u> in. and Depth <u>4,893</u> ft.		
			31. Packer Depth: <u>4,893</u> ft.		
32. Cement Squeeze Operations (List all giving interval and number of sacks of cement and cement top and whether Proposed or Complete.): PROPOSED: Squeeze existing perforations 4,927' - 4,936.5' with 25 sacks cement.					
33. Injection Interval from <u>4,993</u> to <u>5,600</u> ft.			34. Name of Disposal Formation <u>Grayburg & San Andres</u>		
35. Any Oil and Gas Productive Zone within two miles? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, Depth _____ ft. and Reservoir Name _____			(Not within proposed disposal interval)		
36. Maximum Daily Injection Volume <u>2,000</u> bpd			37. Estimated Average Daily Injection Volume <u>1,000</u> bpd		
38. Maximum Surface Injection Pressure <u>2,496</u> psig			39. Estimated Average Surface Injection Pressure <u>700</u> psig		
40. Source of Fluids (Formation, depths and types): <u>Wolfberry, Trend Area & Strawn (±8,500' - 11,000')</u>					
41. Are fluids from leases other than lease identified in Item 8? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			42. Commercial Disposal Well? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
43. If commercial disposal, will non-hazardous oil and gas waste other than produced water be disposed of? Yes <input type="checkbox"/> No <input type="checkbox"/>					
44. Type(s) of Injection Fluid: Salt Water <input checked="" type="checkbox"/> Brackish Water <input type="checkbox"/> Fresh Water <input type="checkbox"/> CO ₂ <input type="checkbox"/> N ₂ <input type="checkbox"/> Air <input type="checkbox"/> H ₂ S <input type="checkbox"/> LPG <input type="checkbox"/> NORM <input type="checkbox"/> Natural Gas <input type="checkbox"/> Polymer <input type="checkbox"/> Other (explain) _____					
CERTIFICATE I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to the best of my knowledge.			Signature <u>Chris Morpheus</u> Date <u>12-20-12</u> Name of Person (type or print) <u>Chris Morpheus</u> Phone <u>(432) 697-3420</u> Fax _____ Email <u>weldon@milconinc.com</u>		
FOR OFFICE USE ONLY		REGISTER NO.		AMOUNT \$	

APPLICANT ALSO MUST COMPLY WITH THE INSTRUCTIONS ON THE REVERSE SIDE