

API No. <u>42-003-10951</u> Drilling Permit # <u>770615</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>197416</b>		2. Operator's Name (as shown on form P-5, Organization Report) <b>DAKOTA RESOURCES, INC. (I)</b>		3. Operator Address (include street, city, state, zip):			
4. Lease Name <b>UNIVERSITY EMILIE</b>		5. Well No. <b>2D</b>					
<b>GENERAL INFORMATION</b>							
6. Purpose of filing (mark ALL appropriate boxes): <input type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input checked="" 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 checked="" type="checkbox"/> Vertical <input 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>5600</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>08</b>		12. County <b>ANDREWS</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>9</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 <b>35</b>		16. Block <b>4</b>		17. Survey <b>UL</b>		18. Abstract No. <b>A-U97</b>	
				19. Distance to nearest lease line: <b>467</b> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>320.2</b>	
21. Lease Perpendiculars: <u>467</u> ft from the <u>NORTH</u> line and <u>1240</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>467</u> ft from the <u>NORTH</u> line and <u>1240</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	
08	85280300	SPRABERRY (TREND AREA)		Injection Well	5600	764.00	
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>							
<b>Remarks</b>    				<b>Certificate:</b> I certify that information stated in this application is true and complete, to the best of my knowledge.			
				Name of filer <u>Pam Morphew, Vice President</u> Date submitted <u>Sep 25, 2013</u> <u>(432)6973420</u> <u>pamm@dakotares.com</u> Phone E-mail Address (OPTIONAL)			
<b>RRC Use Only</b> Data Validation Time Stamp: Sep 30, 2013 11:43 AM( 'As Approved' Version )							

**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;">770615</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Sep 30, 2013</div>	DISTRICT <div style="text-align: center;">* 08</div>			
API NUMBER <div style="text-align: right;">42-003-10951</div>	FORM W-1 RECEIVED <div style="text-align: center;">Sep 25, 2013</div>	COUNTY <div style="text-align: center;">ANDREWS</div>			
TYPE OF OPERATION <div style="text-align: center;">REENTER</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Vertical</div>	ACRES <div style="text-align: center;">320.2</div>			
OPERATOR <div style="text-align: right;">197416</div> <div style="text-align: center;">DAKOTA RESOURCES, INC. (I)</div>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> <div style="text-align: center;">(432) 684-5581</div>			
LEASE NAME <div style="text-align: center;">UNIVERSITY EMILIE</div>		WELL NUMBER <div style="text-align: center;">2D</div>			
LOCATION <div style="text-align: center;">9 miles NE direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">5600</div>			
Section, Block and/or Survey SECTION ⚡ 35                      BLOCK ⚡ 4                      ABSTRACT ⚡ U97 SURVEY ⚡ UL					
DISTANCE TO SURVEY LINES <div style="text-align: center;">467 ft. NORTH    1240 ft. EAST</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">467 ft.</div>			
DISTANCE TO LEASE LINES <div style="text-align: center;">467 ft. NORTH    1240 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 LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE	DIST
----- SPRABERRY (TREND AREA) UNIVERSITY EMILIE		----- 320.20 467	----- 5,600 	----- 2D 764	----- 08
RESTRICTIONS:    Do not use this well for injection/disposal/hydrocarbon storage purposes without approval by the Environmental Services section of the Railroad Commission, Austin, Texas office.					
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS					
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.					

## STATEMENT OF MAILING

I HEREBY CERTIFY THAT ON JANUARY 17, 2013 A TRUE AND CORRECT COPY OF THE FORM W-14 FOR THE DISPOSAL APPLICATION OF DAKOTA RESOURCES, INC. (I) ON THEIR UNIVERSITY EMILIE WELL NO. 2D IN ANDREWS COUNTY, TEXAS WAS PLACED IN THE U.S. MAIL, POSTAGE PREPAID, TO THE FOLLOWING PARTIES.



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DALE E. MILLER

### **COUNTY CLERK**

Andrews County Clerk  
P.O. Box 727  
Andrews, TX 79714

### **OFFSET OPERATORS**

Adkins Production  
P.O. Box 2066  
Andrews, TX 79714

Williams, Clayton Energy, Inc.  
6 Desta Drive, Suite 2100  
Midland, TX 79705

Wind River Energy, Inc.  
P.O. Box 50455  
Midland, TX 79710-455

### **SURFACE OWNER**

University Lands  
James R. Buice  
P.O. Box 553  
Midland, TX 79702-0553

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

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

**O&G**

**Form W-14**

05/2004

MIL0205

1. Operator Name <b>Dakota Resources, Inc. (I)</b>			2. Operator P-5 No. <b>197416</b>		
3. Operator Address: <b>4914 N. Midkiff Rd., Midland, Texas 79705</b>					
4. County <b>Andrews</b>			5. RRC District No. <b>08</b>		
6. Field Name <b>Spraberry (Trend Area)</b>			7. Field Number <b>85280300</b>		
8. Lease Name <b>University Emilie</b>			9. Lease/Gas ID No. <b>N/A</b>		
10. Well is <b>9</b> miles in a <b>NE</b> direction from <b>Andrews</b> (center of nearest town). 11. No. acres in lease <b>320</b>					
12. Legal description of location including distance and direction from survey lines <b>467' FNL &amp; 1,240' FEL Sec. 35, Blk. 4, UL Survey A-U97</b>					
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. <b>2D</b>	17. API No. <b>42-003-10951</b>		18. Date Drilled <b>11/20/1967</b>		19. Total Depth <b>Prop. 5,600'</b>
20. Plug Date, if re-entry <b>03/09/1973</b>					
Casing	Size	Setting Depths	Hole Size	Casing Weight	Cement Class
21. Surface	<b>8 5/8"</b>	<b>309'</b>	<b>12 1/4"</b>	<b>24#</b>	<b>210</b>
22. Intermediate					<b>Surface</b>
23. Long String	<b>5 1/2"</b>	<b>4,993'</b>	<b>7 7/8"</b>	<b>15.5#</b>	<b>950</b>
24. Liner					<b>Surface</b>
25. Other					<b>Circulation</b>
26. Depth to base of Deepest Freshwater Zone <b>1,700'</b>			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: <b>2 3/8</b> in. and Depth <b>4,893</b> ft.		31. Packer Depth: <b>4,893</b> ft.
32. Cement Squeeze Operations (List all giving interval and number of sacks of cement and cement top and whether Proposed or Complete.): <b>PROPOSED: Squeeze existing perforations 4,927' - 4,936.5' with 25 sacks cement.</b>					
33. Injection Interval from <b>4,993</b> to <b>5,600</b> ft.			34. Name of Disposal Formation <b>Grayburg &amp; San Andres</b>		
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 <b>2,000</b> bpd			37. Estimated Average Daily Injection Volume <b>1,000</b> bpd		
38. Maximum Surface Injection Pressure <b>2,496</b> psig			39. Estimated Average Surface Injection Pressure <b>700</b> psig		
40. Source of Fluids (Formation, depths and types): <b>Wolfberry, Trend Area &amp; Strawn (±8,500' - 11,000')</b>					
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 <sub>2</sub> <input type="checkbox"/> N <sub>2</sub> <input type="checkbox"/> Air <input type="checkbox"/> H <sub>2</sub> S <input type="checkbox"/> LPG <input type="checkbox"/> NORM <input type="checkbox"/> Natural Gas <input type="checkbox"/> Polymer <input type="checkbox"/> Other (explain) _____					
<b>CERTIFICATE</b> 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 <i>Chris Morphew</i> <b>Chris Morphew</b> Name of Person (type or print) Date <b>12-20-12</b> Phone <b>(432) 697-3420</b> Fax _____ Email <b>weldon@milconinc.com</b>		
FOR OFFICE USE ONLY		REGISTER NO. <b>10000</b>		AMOUNT \$ <b>10000</b>	

APPLICANT ALSO MUST COMPLY WITH THE INSTRUCTIONS ON THE REVERSE SIDE



# 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	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.

PERMIT NO. 14046

Page 2 of 2

Note: This document will only be distributed electronically.

Wind River  
Energy, Inc.

Block 4,  
University Lands

Clayton Williams  
Energy, Inc.

27 26

Clayton Williams Energy, Inc.

25

34 35

N 77°29'49" E 5290.06

DAKOTA RESOURCES, Inc. (I)

36

Clayton Williams  
Energy, Inc.



Wind River Energy, Inc.

Wind River  
Energy, Inc.

S 77°29'58" W 5286.40

320.2 Acres

University Emilie

S 12°27'19" E 5276.11

Conoco Phillips  
Company

39  
Oxy USA Inc.

Oxy USA Inc.

38 37

Clayton Williams  
Energy, Inc.

Note: Survey Reconstruction filed in the Office of Luchini and Mertz Land Surveying Company.

Note: All bearings and coordinates shown are based on the Texas Coordinate System of 1927, North Central Zone.

A combined grid factor of 0.999788863 must be divided into Section Line distances to obtain a true horizontal distance.

Note: Example: (S-99999) indicates General Land Office file number.

Note: NAD '27 Coordinates & NAD '83 Decimal Latitude/Longitude on well location in Section 35.

Note: Well location is approximately 10 miles northeast of Andrews.

#2D

X: 483399.23

Latitude: 32.41991246°

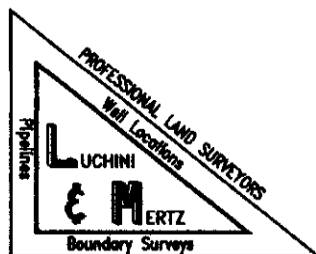
Y: 309491.98

Longitude: -102.41698400°



February 15, 2013

130215M



Railroad Commission Permit Plat

DAKOTA RESOURCES, Inc. (I)  
"University Emilie" Lease  
E/2 of  
Section 35, Block 4,  
University Lands,  
Andrews County, Texas

Scale: 1" = 1000'