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| Enter if Assigned: API No.: 42- 003-33334 Drilling Permit No.: _____ Rule 37/38 Case No.: _____ | | RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER | | | FORM W-1 EFF 10/04 Drilling Permit Fee Based on Depth: 0'-2000' \$200 2001'-4000' \$225 4001'-9000' <u>\$250</u> >9000'- \$300 Expedited Service Fee ADD \$150 Rule 37/38 Exception Fee: ADD \$200 | |
| 1. RRC Operator No.: 649245 | | 2. Operator Name (as shown on P-5 Organization Report): Pecos Operating Company, LLC | | 3. Operator Address (include street, city, state, zip): 400 W. Illinois Ave., Suite 1210 Midland, TX 79701 | | |
| 4. Lease Name: University | | 5. Well No.: 1 | | | | |
| GENERAL INFORMATION | | | | | | |
| 6. Purpose of Filing (Mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> New Drill <input checked="" type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-enter </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) </div> | | | | | | |
| 7. Wellbore Profile (Mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between;"> <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 </div> | | | | | | |
| 8. Total Vertical Depth: 8150' | | 9. Do you have the right to develop 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cert. # 057133 | | |
| SURFACE LOCATION AND ACREAGE INFORMATION | | | | | | |
| 11. RRC District No: 8 | | 12. County: Andrews | | 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>17</u> miles in a <u>SW</u> direction from <u>Andrews</u> , which is the nearest town in the county. | | | | | | |
| 15. Section: 34 | 16. Block: 11 | 17. Survey: University Lands | | 18. Abstract No: | 19. Distance to nearest lease line: 990' | |
| 20. Number of contiguous acres in lease, pooled unit or unitized tract: 160 | | | | | | |
| 21. Lease Perpendiculars: <u>1000</u> ft. from the <u>South</u> line and <u>990</u> ft from the <u>East</u> line. | | | | | | |
| 22. Survey Perpendiculars: <u>1000</u> ft from the <u>South</u> line and <u>990</u> ft from the <u>East</u> line. | | | | | | |
| 23. Is this a pooled unit? 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. Attach an additional Form W-1 if you require more space. | | | | | | |
| 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 Lease & Reservoir | |
| 8 | 35652062 | Goldsmith (Clearfork) | Oil | 5662 | NA | |
| 8 | 35654830 | Goldsmith, N (Silurian) | Oil | 7860-8050 | NA | |
| | | | | | | |
| | | | | | | |
| BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS - Attach FORM W-1D/FORM W-1H as appropriate | | | | | | |
| Remarks: Well to be downhole commingled DHC Approved 8-23-07 TDWR Letter Attached Plat Attached | | | CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> <u>William R. Huck</u> Name of Representative (Print) 432-620-8480 Telephone (AC and number) </div> <div> Signature billh@pecoscompanies.com E-mail Address (OPTIONAL - If provided, e-mail address will become part of this public record.) </div> </div> <div style="text-align: right; margin-top: -20px;"> <u>9-17-07</u> Date (mm/dd/yy) </div> | | | |
| RRC Use only | | | | | | |

BLOCK 11, UNIVERSITY LAND

28 27

33 34

PHILLIPS

B R C. OPER CO., ET AL.

26

35

K. GRAHAM

AMERIND OIL CO.

TENNECO

PHILLIPS,
ET AL.

1
990'
EL 3263'

UNIVERSITY

UNIVERSITY

EDWIN N. MAGRUDER, JR.

COWDEN

102 1/2

102 E. N. MAGRUDER

COWDEN

AMERIND OIL CO.

3

2

3

1

2

COWDEN

5

JOS. W. LUCHINI, CERTIFY
THAT THIS SURVEY WAS MADE BY
ME OR UNDER MY SUPERVISION AND
THAT THIS PLAT IS TRUE AND CORRECT.
EPT. 6, 1982

[Signature]

REGISTERED ENGR. - LIC. L.S., MIDLAND

P.O. BOX 1963 PHONE 684-6728

LOCATION PLAT

AMERIND OIL CO.
UNIVERSITY LEASE
SE/4, SECTION 34, BLOCK 11
UNIVERSITY LAND
ANDREWS COUNTY, TEXAS

SCALE: 1" = 1000'

**RA ROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

REV. 6/89
RECEIVED

NOV 19 2007

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

| | | |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERMIT NUMBER 648981 | DATE PERMIT ISSUED OR AMENDED 11/14/2007 | DISTRICT * 08 |
| API NUMBER 42 003 33334 | FORM W-1 RECEIVED 11/05/2007 | COUNTY ANDREWS |
| TYPE OF OPERATION RECOMPLETION | | ACRES 160.00 |
| OPERATOR 649245 PECOS OPERATING COMPANY, LLC 400 W ILLINOIS AVE SUITE 1210 MIDLAND TX 79701 | | 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.: 432 684-5581 |
| LEASE NAME UNIVERSITY | | WELL NUMBER 1 |
| LOCATION 17.00 MILES SW FROM ANDREWS | | TOTAL DEPTH 8,150 |
| SECTION, BLOCK and/or SURVEY SECTION => 34 BLOCK => 11 ABSTRACT => SURVEY ==> UNIVERSITY LANDS | | |
| DISTANCE--LEASE LINES 1,000.00 F S - 990.00 F E | | DISTANCE--NEAREST WELL ON LEASE 0.0 |
| DISTANCE--SURVEY LINES 1,000.00 F S - 990.00 F E | | |

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM

FIELD(S) AND LIMITATIONS

* - SEE FIELD DISTRICT FOR REPORTING PURPOSES

| FIELD NAME | LEASE NAME | DEPTH | WELL # | DST |
|--------------------------|-----------------|-------|--------|-----|
| GOLDSMITH (CLEAR FORK) | UNIVERSITY | 5,662 | 1 | 08 |
| | ACRES => 160.00 | | | |
| GOLDSMITH, N. (SILURIAN) | UNIVERSITY | 8,050 | 1 | 08 |
| | ACRES => 160.00 | | | |

DAILY TOP OIL = 180 BBLs DAILY TOP CSGHEAD GAS LIMIT = 360 MCF

** LIMITATIONS **

THE TOP OIL ALLOWABLE AND CASINGHEAD GAS LIMIT PRINTED HEREON DO NOT
CONSTITUTE ASSIGNED ALLOWABLES BUT ARE FOR INFORMATIONAL PURPOSES ONLY.

THE TOP OIL ALLOWABLE AND CASINGHEAD GAS LIMIT IS PRINTED ONLY FOR OIL
FIELDS WITHOUT SPECIAL FIELD RULES. BEFORE ANY HYDROCARBONS CAN BE
MOVED FROM A LEASE IN THESE FIELDS AN OPERATOR MUST HAVE AN APPROVED
CERTIFICATE OF COMPLIANCE (FORM P-4) OR APPROVED REQUEST FOR CLEARANCE
(FORM P-8). TOP OIL ALLOWABLES MAY CHANGE AND ANY OVERPRODUCTION OF
AN OIL WELL ALLOWABLE MAY BE SUBJECT TO BEING MADE UP.

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 A WELL IN ACCORDANCE WITH STATEWIDE RULES
81, 95, AND 97.

*** PLEASE REFER TO ATTACHMENTS ***

ATTACHMENT
FOR DRILLING PERMIT NUMBER
648981

THE FOLLOWING RESTRICTIONS APPLY TO THE FIELDS SPECIFIED

PERMITTED FOR OIL ONLY.
GOLDSMITH (CLEAR FORK)

THIS IS A HYDROGEN SULFIDE FIELD. THIS WELL SHALL BE DRILLED IN
ACCORDANCE WITH STATEWIDE RULE 36.
GOLDSMITH (CLEAR FORK)

DEPTH OF AVAILABLE-QUALITY GROUND WATER TO BE PROTECTED

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least one week before your operation begins. Due to the volume of these requests, it is difficult for us to handle telephone inquiries, and such only serve to delay the processing of these forms. Complete, keep the bottom sheet (yellow) for your files, and mail the top 4 sheets of the 5-sheet set of carbon-backed forms to the address below; 1 of them will be returned to you bearing our response and others will be sent to the Austin office and appropriate district office of the Railroad Commission.

Surface Casing
Texas Water Commission
P.O. Box 13087, Capitol Station
Austin, Texas 78711 (Phone: 512/463-8003)

Date 6/10/90

TWC File No.: SC-

8573

Name of person preparing this request & telephone no. w/AC
Mary Ann Brock (915) 682-8217

Company (operator's name as on RRC form W-1)
Amerind Oil Company, Ltd.
415 West Wall St., Suite 500

Mailing Address
Midland TX 79701-4467

City and State

Zip Code

Do not write in this space

AMERIND
JUN 27 1996
OIL CO.

COUNTY Andrews Survey Name University Lands
Block No. 11 Township 34 Section or Survey No. 34 (or) Lot No. 1
Abstract No. A- University LEASE Name University Well No. 1

A map showing all surrounding SURVEYS and your well site must accompany this request.

Distances, in feet, and directions measured at right angles from each of two intersecting Section or Survey lines
(NOT LEASE LINES) 990 feet from East line and 1000 feet from South line
Distance (in miles) and direction from a nearby town in this County (name the town). 9 miles north from Goldsmith

THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT!!!

RRC Lease No. 3263 GL RRC Dist. No. 7900

Elevation (if avail.) 3263 GL Proposed Total Depth 7900 Geologic Fm. at T.D. dolomite

Purpose of the Request: ☐ New Drill ☐ Re-entry ☐ Plug & Abd. ☒ Other (specify) Plug back

Is this an amended request? ☐ Yes ☒ No Give previous File No. for this well: SC- 2676

Additional data (check if attached):

Log of same or nearby well ☒ (The applicable type of well log of a nearby well that shows the aquifers.)

ALWAYS attach the electric log of any well that is to be reentered.

Additional remarks:

The TEXAS WATER COMMISSION'S recommendation for the protection of usable-quality ground water at the referenced location is as follows:

CO-ANDREWS, SUR-UL, BLK-11, SEC-34, LSE-UNIV., #11, 5/250, ZONE, 900, 1300

The interval from the land surface to a depth of 250 feet, and the ZONE from 900 to 1300 feet must be protected.

Thank you for the log you sent.

Very truly yours,

Jack M. Oswalt
Geologist, Surface Casing, TWC

Date June 21, 1996

typed by TWC

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only and does not apply to salt water disposal operations into a nonproductive zone (RRC Form W-14).

Fold

TYPE OR PRINT IN INK

Fold

DO NOT WRITE HERE
FOR TWC USE ONLY

MICHAEL L. WILLIAMS, CHAIRMAN
VICTOR G. CARRILLO, COMMISSIONER
ELIZABETH A. JONES, COMMISSIONER



TOMMIE SEITZ
DIRECTOR, OIL AND GAS DIVISION
JOHN JAMES TINTERA P.G.
ASSISTANT DIRECTOR, TECHNICAL PERMITTING

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

RECEIVED

August 23, 2007

AUG 27 2007

PECOS OPERATING COMPANY, LLC
ATTN STEVEN GRAY
400 W ILLINOIS AVE SUITE 1210
MIDLAND, TX 79701

RE: **APPLICATION FOR EXCEPTION TO SWR 10**
FIELDS: GOLDSMITH CLEARFORK, & GOLDSMITH, N. (SILURIAN)
LEASE: UNIVERSITY WELL # 1
API NO.: 42-003-33334
ANDREWS COUNTY, DISTRICT 8, TEXAS

Dear Operator:

The Commission has approved your application to down hole commingle production (oil) within the above referenced well bore and GOLDSMITH CLEARFORK, & GOLDSMITH, N. (SILURIAN) fields of Andrews County, Texas. For allowable and reporting purposes, the well will be assigned to the **GOLDSMITH CLEARFORK** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is August 23, 2007.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or well projected to or completed in the fields, such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the GOLDSMITH CLEARFORK field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.

Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Gault".

Steve Gault
Engineer, Permitting / Production Services

Cc Proration Oil District 8
District 8
Oil Production Audit Dept.
File (3)