

API No. <u>42-003-46321</u> Drilling Permit # <u>786929</u> SWR Exception Case/Docket No. <u>0291956</u> (R37)		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. <u>775854</u>		2. Operator's Name (as shown on form P-5, Organization Report) SHERIDAN PRODUCTION COMPANY, LLC		3. Operator Address (include street, city, state, zip): 9 GREENWAY PLAZA STE 1300 HOUSTON, TX 77046-0000			
4. Lease Name UNIVERSITY CONSOLIDATED IV		5. Well No. <u>3009</u>					
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 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 <u>8900</u>		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County <u>ANDREWS</u>		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>15</u> miles in a <u>NW</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.							
15. Section <u>30</u>		16. Block <u>13</u>		17. Survey <u>UL</u>		18. Abstract No. <u>A-U422</u>	
				19. Distance to nearest lease line: <u>330</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>482.48</u>	
21. Lease Perpendiculars: <u>330</u> ft from the <u>N</u> line and <u>408</u> ft from the <u>W</u> line.							
22. Survey Perpendiculars: <u>330</u> ft from the <u>N</u> line and <u>1729</u> ft from the <u>W</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	
08	33230001	FULLERTON		Oil Well	8100	626.00	
08	33230900	FULLERTON (8500)		Oil Well	8100	1586.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks See W1 Comments attached				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> <u>Joyce Williams</u> Name of filer <u>(713)5481070</u> Phone </div> <div> <u>May 13, 2014</u> Date submitted <u>jwilliams@sheridanproduction.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Sep 9, 2014 10:27 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.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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.

W-1 Comments

Permit # **786929**

Approved Date: **Sep 09, 2014**

[RRC STAFF May 20, 2014 3:14 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 1, 2014 9:26 AM]: Joyce Williams sent new plat and indicated that the well count for the Fullerton field is 24. Also the nearest well for Fullerton (8500) is 1586.; [RRC STAFF Aug 1, 2014 9:27 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 1, 2014 9:34 AM]: Changed distance to nearest lease line to match plat.; [RRC STAFF Aug 1, 2014 9:42 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 1, 2014 9:44 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 1, 2014 10:33 AM]: As per Joyce Williams: I sent an email on yesterday showing the location has moved for this well since my ORIGINAL submittal. My plat shows LEASE LINES: 330 FNL & 914 FEL, therefore, R37 is no longer valid/necessary.; [RRC STAFF Aug 4, 2014 9:51 AM]: Revised plat attached. Changed acreage to match plat. XTO acreage is not included in this lease.; [RRC STAFF Aug 4, 2014 9:54 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 15, 2014 2:58 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 9, 2014 9:12 AM]: Problems identified with this permit are resolved.

**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 786929	DATE PERMIT ISSUED OR AMENDED Sep 09, 2014	DISTRICT * 08		
API NUMBER 42-003-46321	FORM W-1 RECEIVED May 13, 2014	COUNTY ANDREWS		
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 482.48		
OPERATOR SHERIDAN PRODUCTION COMPANY, LLC 9 GREENWAY PLAZA STE 1300 HOUSTON, TX 77046-0000		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 CONSOLIDATED IV		WELL NUMBER 3009		
LOCATION 15 miles NW direction from ANDREWS		TOTAL DEPTH 8900		
Section, Block and/or Survey SECTION ◀ 30 BLOCK ◀ 13 ABSTRACT ◀ U422 SURVEY ◀ UL				
DISTANCE TO SURVEY LINES 330 ft. N 1729 ft. W		DISTANCE TO NEAREST LEASE LINE 330 ft.		
DISTANCE TO LEASE LINES 330 ft. N 408 ft. W		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: <p style="text-align: center;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p> <p style="text-align: center;">** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) **</p> <p style="text-align: center;">CASE NO. 0291956</p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE	DIST
-----	-----	-----	-----	---
FULLERTON	482.48	8,100	3009	08
UNIVERSITY CONSOLIDATED IV	330		626	
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.				
-----	-----	-----	-----	---
** FULLERTON (8500)	482.48	8,100	3009	08
UNIVERSITY CONSOLIDATED IV	330		1586	
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.				
<p>*** PRECEDING FIELD NAME INDICATES RULE (R37)</p> <p style="text-align: center;">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p>				

**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;">786929</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Sep 09, 2014</div>	DISTRICT <div style="text-align: center;">* 08</div>
API NUMBER <div style="text-align: right;">42-003-46321</div>	FORM W-1 RECEIVED <div style="text-align: center;">May 13, 2014</div>	COUNTY <div style="text-align: center;">ANDREWS</div>
TYPE OF OPERATION <div style="text-align: center;">NEW DRILL</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Vertical</div>	ACRES <div style="text-align: center;">482.48</div>
OPERATOR <div style="text-align: right;">775854</div> <div style="text-align: center;"> SHERIDAN PRODUCTION COMPANY, LLC 9 GREENWAY PLAZA STE 1300 HOUSTON, TX 77046-0000 </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;">(432) 684-5581</div>
LEASE NAME <div style="text-align: center;">UNIVERSITY CONSOLIDATED IV</div>		WELL NUMBER <div style="text-align: center;">3009</div>
LOCATION <div style="text-align: center;">15 miles NW direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">8900</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div> SECTION ◀ 30 SURVEY ◀ UL </div> <div> BLOCK ◀ 13 </div> <div> ABSTRACT ◀ U422 </div> </div>		
DISTANCE TO SURVEY LINES <div style="text-align: center;">330 ft. N 1729 ft. W</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">330 ft.</div>
DISTANCE TO LEASE LINES <div style="text-align: center;">330 ft. N 408 ft. W</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 * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0291956 </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> FIELD NAME LEASE NAME </div> <div> ACRES NEAREST LEASE </div> <div> DEPTH NEAREST WE </div> <div> WELL # NEAREST WE </div> <div> DIST </div> </div> <p>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.</p> <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>		

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data

ANDREWS (003) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
YATES	2,500	3,200		1	12/17/2013
SEVEN RIVERS	3,000	3,000		2	12/17/2013
QUEEN	3,600	4,800		3	12/17/2013
GRAYBURG	3,100	5,000		4	12/17/2013
SAN ANDRES	3,700	5,300	CO2 flood, high flows, H2S, corrosive	5	12/17/2013
HOLT	5,000	5,500		6	12/17/2013
GLORIETA	5,100	6,000		7	12/17/2013
TUBB	6,100	6,300		8	12/17/2013
CLEARFORK	5,600	7,600		9	12/17/2013
PERMIAN DETRITAL	7,800	7,900		10	12/17/2013
LEON	7,900	7,900		11	12/17/2013
WICHITA ALBANY	6,500	8,100		12	12/17/2013
SPRABERRY	7,300	8,600		13	12/17/2013
DEAN	9,200	9,500		14	12/17/2013
WOLFCAMP	7,500	9,900		15	12/17/2013
CANYON	8,600	10,200		16	12/17/2013
PENNSYLVANIAN	8,700	10,200		17	12/17/2013
MCKEE	8,300	10,600		18	12/17/2013
STRAWN	8,800	11,000		19	12/17/2013
FUSSELMAN	8,400	11,900		20	12/17/2013
DEVONIAN	7,600	12,500		21	12/17/2013
SILURIAN	8,000	12,500		22	12/17/2013
ELLENBURGER	7,900	13,900		23	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 **May 22, 2014**

GAU File No.: **16710**

***** EXPEDITED APPLICATION *****

API Number **00346321**

Attention: **JOYCE A WILLIAMS**

RRC Lease No. **000000**

SC_775854_00346321_000000_16710.pdf

**SHERIDAN PRODUCTION CO LLC
9 GREENWAY PLAZA
STE 1300
HOUSTON TX 77046**

--Measured--

1349 ft FWL

263 ft FNL

MRL: SECTION

Digital Map Location:

X-coord/Long **102.80400**

Y-coord/Lat **32.35940**

Datum **27**

Zone

P-5# 775854

County **ANDREWS**

Lease & Well No. **UNIVERSITY CONSOLIDATED IV #3009**

Purpose **ND**

Location **SUR-UL, BLK-13, SEC-30, -- [TD=8900], [RRC 8],**

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 a depth of 250 feet and the ZONE from 1100 feet to 1550 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.

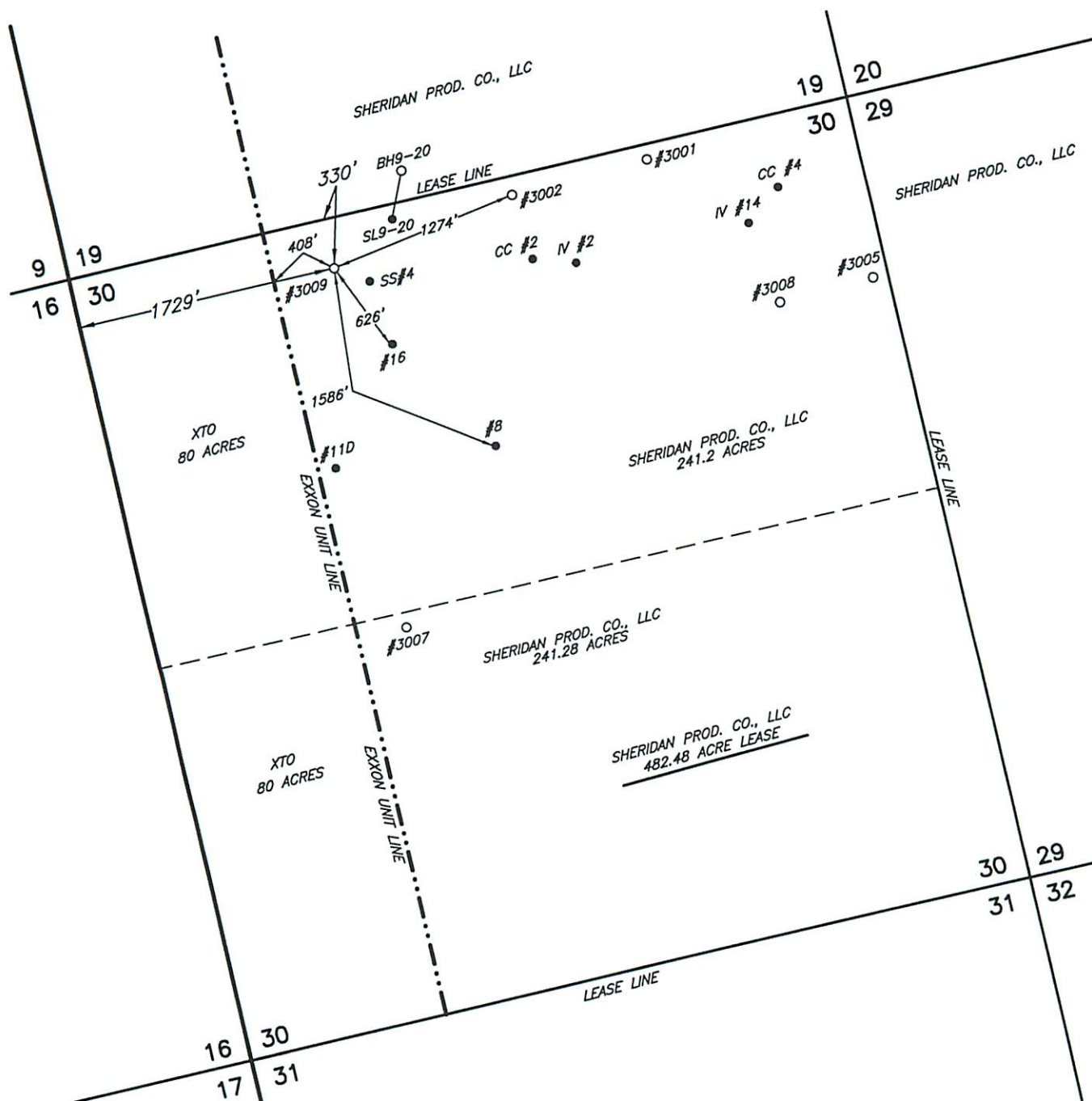
GEOLOGIST SEAL



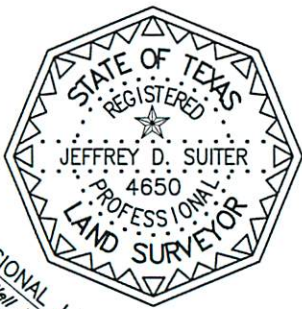
Geologist, Groundwater Advisory Unit
Oil & Gas Division

The seal appearing on this document was authorized by George Dunfield on 5/22/2014
Note: Alteration of this electronic document will invalidate the digital signature.

ANDREWS County, Texas
SL Description 330' FNL & 1729' FWL
SECTION 30, BLOCK 13, UNIVERSITY LAND SURVEY



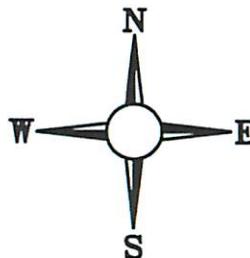
Operator SHERIDAN PRODUCTION COMPANY, LLC Note: For survey construction, corner descriptions and records references, see supporting documents in file.
Lease Name & Well No. UNIVERSITY CONSOLIDATED IV #3009
Ground Elev. 3271' Alternate Location RESTAKE
Coordinates NAD 27 TNC ZONE X = 363373 Y= 293391 LAT.: N 32.359567 LONG.: W 102.802382
NAD 83 TNC ZONE LAT.: N 32.359672 LONG.: W 102.804833
Topography & Vegetation NATURAL PASTURE
Best Accessibility to Location FROM LEASE ROAD 350' SOUTH
Distance & Direction ±15 MILES NORTHWEST OF ANDREWS



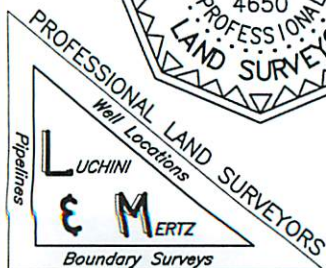
The above sketch represents the location as staked on the ground and is for permit purposes only.

Jeffrey D. Suiter

Registered Professional Land Surveyor No. 4650



SCALE: 1" = 1000'
0' 500' 1000'



June 23, 2014
Job# 140623BRB