

API No. <u>42-003-46328</u> Drilling Permit # <u>787115</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>665748</b>		2. Operator's Name (as shown on form P-5, Organization Report) <b>PIONEER NATURAL RES. USA, INC.</b>		3. Operator Address (include street, city, state, zip):			
4. Lease Name <b>UNIVERSITY '7-38'</b>		5. Well No. <b>1D</b>					
<b>GENERAL INFORMATION</b>							
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 <b>5800</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>19.4</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>38</b>		16. Block <b>7</b>		17. Survey <b>UL</b>		18. Abstract No. <b>A-</b>	
				19. Distance to nearest lease line: <b>150</b> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>643.9</b>	
21. Lease Perpendiculars: <u>400</u> ft from the <u>WEST</u> line and <u>150</u> ft from the <u>SOUTH</u> line. 22. Survey Perpendiculars: <u>400</u> ft from the <u>WEST</u> line and <u>150</u> ft from the <u>SOUTH</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	5800	514.00	
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>							
<b>Remarks</b> [FILER May 14, 2014 2:53 PM]: Minimal H2S monitoring equipment will be used during drilling operations.				<b>Certificate:</b> 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> <b>CASI RENFRO, ENGINEERING TECH</b>            Name of filer         </div> <div> <b>May 14, 2014</b>            Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <b>(972)444-9001</b>            Phone         </div> <div> <b>casi.renfro@pxd.com</b>            E-mail Address (OPTIONAL)         </div> </div>			
<b>RRC Use Only</b>							
Data Validation Time Stamp: Jun 18, 2014 10:54 AM( Current 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;">787115</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Jun 18, 2014</div>	DISTRICT <div style="text-align: center;">* 08</div>																				
API NUMBER <div style="text-align: right;">42-003-46328</div>	FORM W-1 RECEIVED <div style="text-align: center;">May 14, 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;">643.9</div>																				
OPERATOR <div style="text-align: right;">665748</div> <div style="text-align: center;">PIONEER NATURAL RES. USA, INC.</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 '7-38'</div>		WELL NUMBER <div style="text-align: center;">1D</div>																				
LOCATION <div style="text-align: center;">19.4 miles NE direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">5800</div>																				
Section, Block and/or Survey SECTION  38                      BLOCK  7                      ABSTRACT SURVEY  UL																						
DISTANCE TO SURVEY LINES <div style="text-align: center;">400 ft. WEST    150 ft. SOUTH</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">150 ft.</div>																				
DISTANCE TO LEASE LINES <div style="text-align: center;">400 ft. WEST    150 ft. SOUTH</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>																						
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">FIELD NAME LEASE NAME</th> <th style="text-align: center;">ACRES NEAREST LEASE</th> <th style="text-align: center;">DEPTH</th> <th style="text-align: center;">WELL # NEAREST WE</th> <th style="text-align: center;">DIST</th> </tr> </thead> <tbody> <tr> <td>-----</td> <td>-----</td> <td>-----</td> <td>-----</td> <td>---</td> </tr> <tr> <td>SPRABERRY (TREND AREA)</td> <td style="text-align: center;">643.90</td> <td style="text-align: center;">5,800</td> <td style="text-align: center;">1D</td> <td style="text-align: center;">08</td> </tr> <tr> <td>UNIVERSITY '7-38'</td> <td style="text-align: center;">150</td> <td></td> <td style="text-align: center;">514</td> <td></td> </tr> </tbody> </table>			FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST	-----	-----	-----	-----	---	SPRABERRY (TREND AREA)	643.90	5,800	1D	08	UNIVERSITY '7-38'	150		514	
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST																		
-----	-----	-----	-----	---																		
SPRABERRY (TREND AREA)	643.90	5,800	1D	08																		
UNIVERSITY '7-38'	150		514																			
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.																						
<p style="text-align: center;"><b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b></p> <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>																						

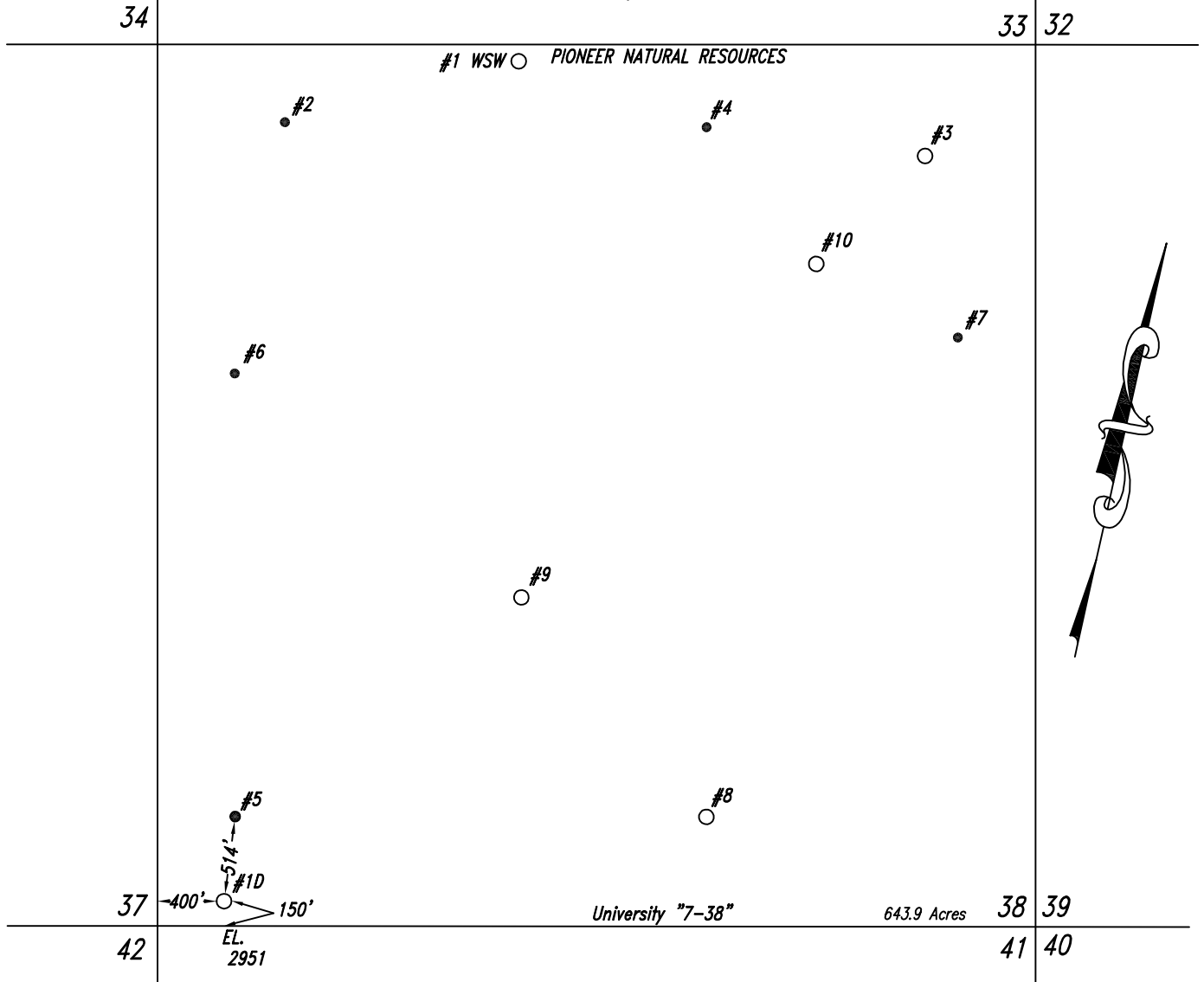
**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION  
SWR #13 Formation Data**

**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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

# Block 7 University Land



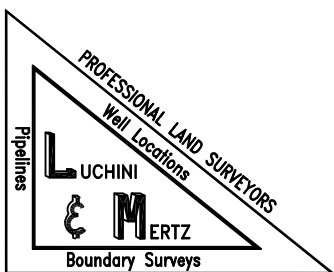
Note: Survey Reconstruction filed in the Office of Luchini and Mertz Land Surveying Company.  
 Note: All bearings and coordinates shown are based on the Texas Coordinate System of 1927, North Central Zone.  
 A combined grid factor of 0.999804513 must be divided into distances to obtain a true horizontal distance.  
 Note: The above sketch represents the location as staked on the ground and is for permit purposes only.  
 Note: NAD '27 Coordinates & NAD '83 Decimal Latitude/Longitude on well location in Section 38.  
 Note: Well location is approximately 19.4 miles northeast of Andrews.  
 Note: This does not constitute a boundary survey.  
 Note: Lease description provided by client.

X: 540778.54  
 Y: 279516.29

#1D  
 Latitude: 32.34484457°  
 Longitude: -102.22684940°



*Steven L. Prewit*  
 October 31, 2013  
 Revised: Nov. 18, 2013 - 131031CW1



P. O. Box 1963 Midland, Texas 79702 (432) 684-6728 Fax 686-1845

Railroad Commission Drawing

PIONEER NATURAL RESOURCES USA, Inc.  
 University "7-38" Lease  
 all of  
 Section 38, Block 7,  
 University Lands  
 Andrews County, Texas

Scale: 1" = 1000'