

API No. <u>42-003-47243</u> Drilling Permit # <u>809404</u> SWR Exception Case/Docket No. <u>0298045</u> (R37)		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <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>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>247756</u>		2. Operator's Name (as shown on form P-5, Organization Report) ELEVATION RESOURCES LLC		3. Operator Address (include street, city, state, zip): 200 N LORAIN STE 1010 MIDLAND, TX 79701-0000			
4. Lease Name UNIVERSITY 1-28A UNIT		5. Well No. <u>2H</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 type="checkbox"/> Vertical <input checked="" 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>15000</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 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>11</u> miles in a <u>SE</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site.							
15. Section <u>28</u>	16. Block <u>1</u>	17. Survey <u>UL</u>		18. Abstract No. <u>A-U28</u>	19. Distance to nearest lease line: <u>200</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>201.76</u>	
21. Lease Perpendiculars: <u>510</u> ft from the <u>WEST</u> line and <u>163</u> ft from the <u>SOUTH</u> line. 22. Survey Perpendiculars: <u>510</u> ft from the <u>WEST</u> line and <u>1165</u> ft from the <u>NORTH</u> line.							
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input 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	28899166	EMMA (DEVONIAN)		Oil Well	15000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [FILER Aug 12, 2015 12:19 PM]: Pooled Unit, P-12 attached.; [RRC STAFF Aug 26, 2015 6:09 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 2, 2015 3:50 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 3, 2015 11:12 AM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 3, 2015 11:12 AM]: Revised plat 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>Stewart Newton</u> Name of filer </div> <div> <u>Aug 12, 2015</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(512)4808800</u> Phone </div> <div> <u>stewart.newton@pghengineers.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Sep 3, 2015 11:13 AM ('As Approved' Version)							

Permit Status:	Approved
<i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>	

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

Form W-1H 07/2004
Supplemental Horizontal Well Information

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.*

Permit #	809404
Approved Date:	Sep 03, 2015

1. RRC Operator No. 247756	2. Operator's Name (exactly as shown on form P-5, Organization Report) ELEVATION RESOURCES LLC	3. Lease Name UNIVERSITY 1-28A UNIT	4. Well No. 2H
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Lateral Drainhole Location Information

5. Field as shown on Form W-1	EMMA (DEVONIAN) (Field # 28899166, RRC District 08)
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6. Section 25	7. Block 1	8. Survey UL	9. Abstract	10. County of BHL ANDREWS
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11. Terminus Lease Line Perpendiculars 250 ft. from the West line. and 100 ft. from the North line
12. Terminus Survey Line Perpendiculars 250 ft. from the West line. and 100 ft. from the North line
13. Penetration Point Lease Line Perpendiculars 510 ft. from the West line. and 163 ft. from the South line

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 809404	DATE PERMIT ISSUED OR AMENDED Sep 03, 2015	DISTRICT * 08	
API NUMBER 42-003-47243	FORM W-1 RECEIVED Aug 12, 2015	COUNTY ANDREWS	
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 201.76	
OPERATOR ELEVATION RESOURCES LLC 200 N LORAIN STE 1010 MIDLAND, TX 79701-0000		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 1-28A UNIT		WELL NUMBER 2H	
LOCATION 11 miles SE direction from ANDREWS		TOTAL DEPTH 15000	
Section, Block and/or Survey SECTION 28 BLOCK 1 ABSTRACT U28 SURVEY UL			
DISTANCE TO SURVEY LINES 510 ft. WEST 1165 ft. NORTH		DISTANCE TO NEAREST LEASE LINE 200 ft.	
DISTANCE TO LEASE LINES 510 ft. WEST 163 ft. SOUTH		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below	
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p> <p align="center">** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) **</p> <p align="center">CASE NO. 0298045</p>			
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE
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** EMMA (DEVONIAN)	201.76	15,000	2H
UNIVERSITY 1-28A UNIT	200	0	08

WELLBORE PROFILE(s) FOR FIELD: Horizontal			

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.			
Lateral: TH1 Penetration Point Location Lease Lines: 510.0 F WEST L 163.0 F SOUTH L			
Terminus Location BH County: ANDREWS Section: 25 Block: 1 Abstract: Survey: UL Lease Lines: 250.0 F WEST L 100.0 F NORTH L Survey Lines: 250.0 F WEST L 100.0 F NORTH L			
' ** ' PRECEDING FIELD NAME INDICATES RULE (R37)			
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS			

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;">809404</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Sep 03, 2015</div>	DISTRICT <div style="text-align: center;">* 08</div>
API NUMBER <div style="text-align: right;">42-003-47243</div>	FORM W-1 RECEIVED <div style="text-align: center;">Aug 12, 2015</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;">Horizontal</div>	ACRES <div style="text-align: center;">201.76</div>
OPERATOR <div style="text-align: right;">247756</div> <div style="text-align: center;">ELEVATION RESOURCES LLC</div> <div style="text-align: center;">200 N LORAIN STE 1010</div> <div style="text-align: center;">MIDLAND, TX 79701-0000</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 1-28A UNIT</div>		WELL NUMBER <div style="text-align: center;">2H</div>
LOCATION <div style="text-align: center;">11 miles SE direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">15000</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION ◀ 28</div> <div>BLOCK ◀ 1</div> <div>ABSTRACT ◀ U28</div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY ◀ UL</div> <div></div> <div></div> </div>		
DISTANCE TO SURVEY LINES <div style="text-align: center;">510 ft. WEST 1165 ft. NORTH</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">200 ft.</div>
DISTANCE TO LEASE LINES <div style="text-align: center;">510 ft. WEST 163 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 * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0298045 </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> FIELD NAME LEASE NAME </div> <div> ACRES NEAREST LEASE </div> <div> DEPTH NEAREST LEASE </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>

CERTIFICATE OF POOLING AUTHORITY

Revised 05/2001

P-12

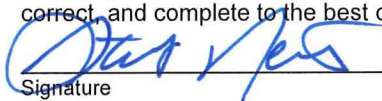
1. Field Name(s) All Fields	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name Elevation Resources, LLC	5. Operator P-5 Number 247756	6. Well Number 2H
7. Pooled Unit Name University 1-28A Unit	8. API Number	9. Purpose of Filing <input checked="" type="checkbox"/> Drilling Permit (W-1) <input type="checkbox"/> Completion Report
10. County Andrews	11. Total acres in pooled unit 201.7625	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
*1	Tract 1	40.3875	<input type="checkbox"/>	<input type="checkbox"/>
2	Tract 2	80.6875	<input type="checkbox"/>	<input type="checkbox"/>
3	Tract 3	80.6875	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.



Signature

Stewart Newton

Print Name

Regulatory Consultant

stewart.newton@pghengineers.com

08/12/2015

(512) 617-3081

Title

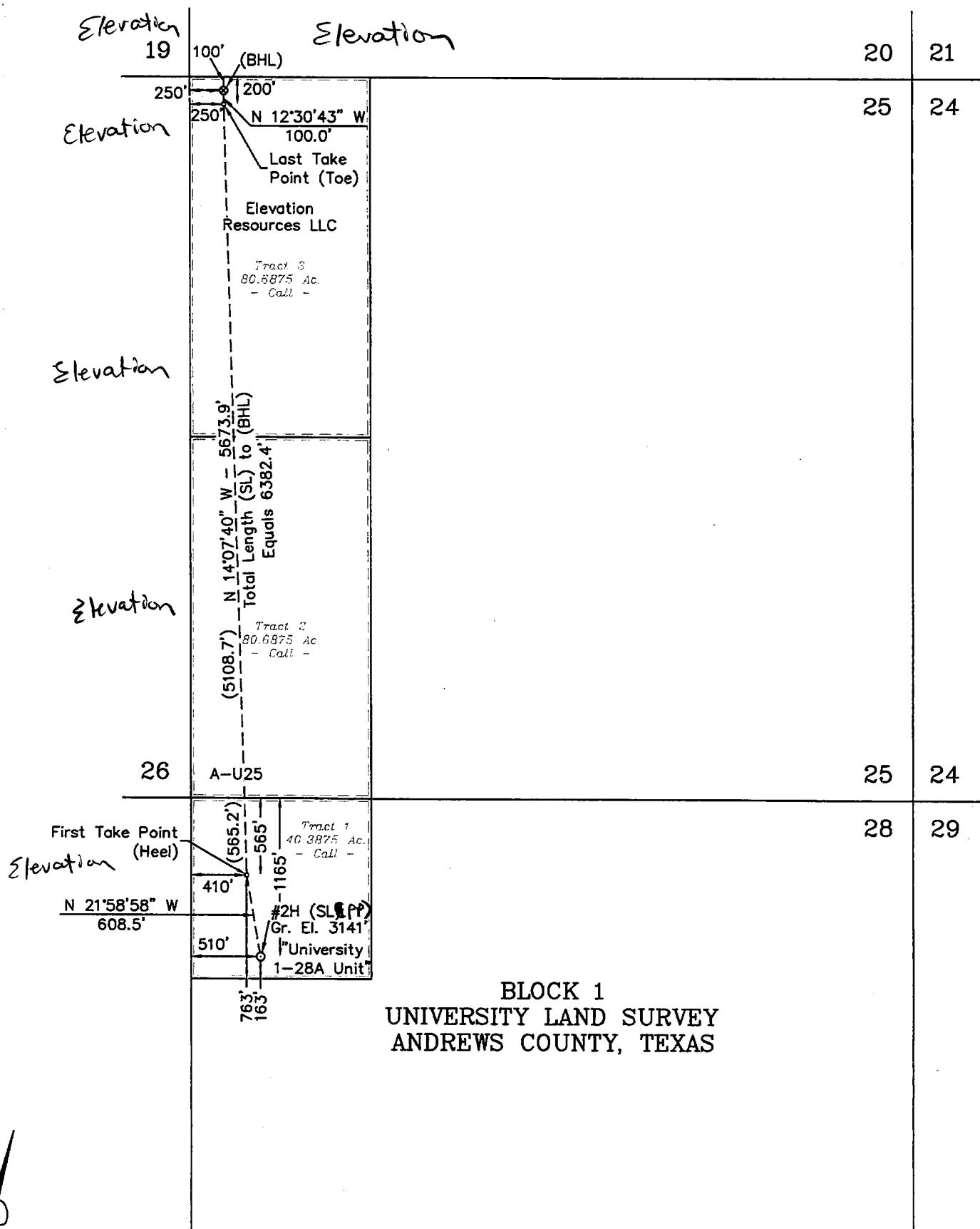
E-mail (if available)

Date

Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.



BLOCK 1
UNIVERSITY LAND SURVEY
ANDREWS COUNTY, TEXAS

Coordinate Table			
Description	Plane Coordinate	Geodetic Coordinate	Geodetic Coordinate (NAD '83)
University 1-28A Unit #2H	X = 450,917.2	Longitude = 102°30'28.23" W	Longitude = 102°30'29.78" W
Surface Location and Penetration Point	Y = 219,821.6	Latitude = 32°10'09.77" N	Latitude = 32°10'10.17" N
University 1-28A Unit #2H	X = 450,689.4	Longitude = 102°30'31.19" W	Longitude = 102°30'32.74" W
First Take Point (Heel)	Y = 220,385.7	Latitude = 32°10'15.24" N	Latitude = 32°10'15.64" N
University 1-28A Unit #2H	X = 449,304.8	Longitude = 102°30'50.34" W	Longitude = 102°30'51.89" W
Last Take Point (Toe)	Y = 225,887.1	Latitude = 32°11'08.97" N	Latitude = 32°11'09.36" N
University 1-28A Unit #2H	X = 449,283.1	Longitude = 102°30'50.64" W	Longitude = 102°30'52.20" W
Bottom Hole Location	Y = 225,984.7	Latitude = 32°11'09.92" N	Latitude = 32°11'10.32" N

- Plane Coordinates and Bearings shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas North Central Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.
- Geodetic Coordinate, unless otherwise shown hereon, references the North American Datum of 1927, (Clarke Spheroid of 1866). Reference Stations - "ODESSA RRP2" - CORS (DF5393), "LUBBOCK RRP2" - CORS (DF5391) and "MCDONALD VLB1" - CORS (AF9514).
- This plat is provided for filing purposes only with the the Texas Railroad Commission and should not be construed as a boundary survey.

University 1-28A Unit Acreage Table	
Tract 1 -	40.3875 Acres
Tract 2 -	80.6875 Acres
Tract 3 -	80.6875 Acres
Total -	201.7625 Acres

Date Surveyed: July 17, 2015
Weather: Hot & Breezy

The University 1-28A Unit #2H is located approximately 11 miles South-Southeast of Andrews, Texas.

I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A bona fide SURVEY MADE UNDER MY SUPERVISION

LINDSAY GYGAX
J. FRANK NEWMAN

TEXAS R.P.L.S. No. 6434
TEXAS R.P.L.S. No. 5011

WEST COMPANY
Land Surveyors • Civil Engineers

SURVEYORS - ENGINEERS - PLANNERS
FIRM REGISTRATION NUMBER: 100682-00
110 W. LOUISIANA AVE., SUITE 110
MIDLAND, TEXAS 79701
(432) 687-0865 - FAX (432) 687-0868

LEGEND

- (SL)○ - Denotes Proposed Surface Well Location
• - Denotes Proposed Penetration Points
(BHL)⊙ - Denotes Proposed Bottom Hole Location
--- - Denotes Lease Line
- 1000 0 1000 2000
Graphic Scale in Feet

ELEVATION RESOURCES LLC

Location of the
UNIVERSITY 1-28A UNIT #2H
Surface Location: 1165' FNL & 510' FWL
Section 28, Block 1
Bottom Hole Location: 100' FNL & 250' FWL
Section 25, Block 1
University Land Survey
Andrews County, Texas

Drawn By: SC	Date: August 10, 2015
Scale: 1"=1000'	Field Book: 615 / 38-40
Revision Date: 8/11/15	Quadrangle: Gardendale NW
W.O. No: 2015-0510	Dwg. No.: L-2015-0510-D