

API No. <u>42-105-40250</u> Drilling Permit # <u>752695</u> SWR Exception Case/Docket No. <u>0253029</u> (R37)		<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. <u>058915</u>		2. Operator's Name (as shown on form P-5, Organization Report) <b>BEACH EXPLORATION, INC.</b>		3. Operator Address (include street, city, state, zip):			
4. Lease Name <b>UNIVERSITY 14-1</b>		5. Well No. <u>1</u>					
<b>GENERAL INFORMATION</b>							
6. Purpose of filing (mark ALL appropriate boxes): <input type="checkbox"/> New Drill <input checked="" 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>7950</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			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <u>7C</u>		12. County <b>CROCKETT</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>12.5</u> miles in a <u>SE</u> direction from <u>Rankin</u> which is the nearest town in the county of the well site.							
15. Section <u>1</u>	16. Block <u>14</u>	17. Survey <b>UNIVERSITY LANDS</b>		18. Abstract No. <u>A-</u>	19. Distance to nearest lease line: <u>191</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>667.18</u>	
21. Lease Perpendiculars: <u>1700</u> ft from the <u>WEST</u> line and <u>191</u> ft from the <u>NORTH</u> line. 22. Survey Perpendiculars: <u>1700</u> ft from the <u>WEST</u> line and <u>191</u> ft from the <u>NORTH</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    List all fields of anticipated completion including Wildcat. List one zone per line.</b>							
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	
<u>7C</u>	<u>09810500</u>	<u>BLUEGRASS (CLEARFORK)</u>		<u>Oil Well</u>	<u>4050</u>	<u>0.00</u>	
<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>Brenda Martin, Production Analyst</u> Date submitted <u>Dec 05, 2012</u> <u>(432)6836226</u> <u>bmartin@beachexp.com</u> Phone    E-mail Address (OPTIONAL)			
<b>RRC Use Only</b> Data Validation Time Stamp: <u>Dec 13, 2012 2:10 PM( Current Version )</u>							

**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 <b>752695</b>	DATE PERMIT ISSUED OR AMENDED <b>Dec 11, 2012</b>	DISTRICT <b>* 7C</b>		
API NUMBER <b>42-105-40250</b>	FORM W-1 RECEIVED <b>Dec 05, 2012</b>	COUNTY <b>CROCKETT</b>		
TYPE OF OPERATION <b>RECOMPLETION</b>	WELLBORE PROFILE(S) <b>Vertical</b>	ACRES <b>667.18</b>		
OPERATOR <b>BEACH EXPLORATION, INC.</b>		<b>058915</b>	<b>NOTICE</b> 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> <b>(325) 657-7450</b>	
LEASE NAME <b>UNIVERSITY 14-1</b>		WELL NUMBER <b>1</b>		
LOCATION <b>12.5 miles SE direction from RANKIN</b>		TOTAL DEPTH <b>7950</b>		
Section, Block and/or Survey SECTION <b>1</b> BLOCK <b>14</b> ABSTRACT <b></b> SURVEY <b>UNIVERSITY LANDS</b>				
DISTANCE TO SURVEY LINES <b>1700 ft. WEST 191 ft. NORTH</b>		DISTANCE TO NEAREST LEASE LINE <b>191 ft.</b>		
DISTANCE TO LEASE LINES <b>1700 ft. WEST 191 ft. NORTH</b>		DISTANCE TO NEAREST WELL ON LEASE <b>See FIELD(s) Below</b>		
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. 0253029</p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST
-----	-----	-----	-----	---
<b>** BLUEGRASS (CLEARFORK)</b>	<b>667.18</b>	<b>4,050</b>	<b>1</b>	<b>7C</b>
<b>UNIVERSITY 14-1</b>	<b>191</b>		<b>0</b>	
<b>RESTRICTIONS:</b> 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.				
<b>' ** ' PRECEDING FIELD NAME INDICATES RULE (R37)</b>				
<p 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>				

Rule 37 Exception  
Affected party  
Quicksilver Resources, Inc.  
Leaseholder and Operator Section 2

(S 38568) 1 2 (S.F. 12437)

2 1 1700'

#1 131'

7423  
GRID N: 504588.161  
GRID E: 1486093.967  
Latitude: 31°03'37.347" N  
Longitude: 101°58'27.933" W

15 (95060)

1 (S.F. 12436)

Block 14, University Lands  
Crockett County, Texas

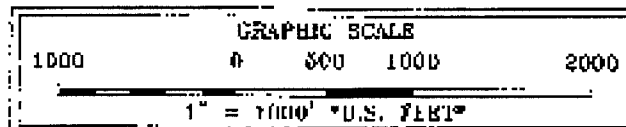
Abstract No. 083  
667.18 Acres

Beach Exploration, Inc.  
667.18 Acre University "14-1" Lease

University "14-1" lease

(S-40017) 1 2 (95001)

3 (S-40018)



Note: Example (S-38568) indicates Section 1 and Office file number.  
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.  
Note: Coordinates shown herein are on the Texas Coordinate System of 1982, Geoid 1984.  
Latitudes and Longitudes shown are on NAD83 datum.

12.5 Miles SE of Rankin



Railroad Commission Permit Plot

Beach Exploration, Inc.

#1 - University "14-1"  
131' FROM NORTH LINE  
1700' FROM WEST LINE  
University "14-1" Lease  
667.18 Acres being all of  
Section 1, Block 14  
University Lands Survey  
Crockett County, Texas

February 19, 2007

0202195

REGISTERED PROFESSIONAL LAND SURVEYOR NO. 7775

P.O. Box 51622, Midland, Texas, 79710 (409) 670-0255 Fax (409) 682-3864

Scale: 1" = 1000'