

API No. 42-383-39106	RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION				FORM W-1 07/2004	
Drilling Permit # 793083	APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER				Permit Status: Approved	
SWR Exception Case/Docket No.		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.				
1. RRC Operator No. 124828	2. Operator's Name (as shown on form P-5, Organization Report) CALLON PETROLEUM OPERATING CO			3. Operator Address (include street, city, state, zip): P O BOX 1287 NATCHEZ, MS 39121-1287		
4. Lease Name UNIVERSITY 2			5. Well No. 2602LH			
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 8900	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		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. 7C	12. County REAGAN		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>15.7</u> miles in a <u>NW</u> direction from <u>Big Lake</u> which is the nearest town in the county of the well site.						
15. Section 26	16. Block 2	17. Survey UL		18. Abstract No. A-U62	19. Distance to nearest lease line: 100 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1484.33
21. Lease Perpendiculars: <u>200</u> ft from the <u>NORTH</u> line and <u>1086</u> ft from the <u>WEST</u> line.						
22. Survey Perpendiculars: <u>200</u> ft from the <u>NORTH</u> line and <u>1086</u> ft from the <u>WEST</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
7C	53613750	LIN (WOLFCAMP)		Oil or Gas Well	8800	719.00
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks See W1 Comments attached				<u>Certificate:</u> I certify that information stated in this application is true and complete, to the best of my knowledge. Cynthia Truby, HES Regulatory Manager		
RRC Use Only				Name of filer <u>(281)589-5200</u> Phone		
Data Validation Time Stamp: Sep 8, 2014 11:31 AM(Current Version)				Date submitted <u>Jul 31, 2014</u> E-mail Address (OPTIONAL) <u>ctruby@callon.com</u>		

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

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

Permit Status: **Approved**

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

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Permit # **793083**
Approved Date: **Sep 08, 2014**

1. RRC Operator No. 124828	2. Operator's Name (exactly as shown on form P-5, Organization Report) CALLON PETROLEUM OPERATING CO	3. Lease Name UNIVERSITY 2	4. Well No. 2602LH
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **LIN (WOLFCAMP) (Field # 53613750, RRC District 7C)**

6. Section 23	7. Block 2	8. Survey UL	9. Abstract	10. County of BHL REAGAN
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11. Terminus Lease Line Perpendiculars 100 ft. from the South line. and 1940 ft. from the West line
12. Terminus Survey Line Perpendiculars 100 ft. from the South line. and 1940 ft. from the West line
13. Penetration Point Lease Line Perpendiculars 700 ft. from the North line. and 1782 ft. from the West line

Permit Status: **Approved**

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**RAILROAD COMMISSION OF TEXAS
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APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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W-1 Comments

Permit # **793083**
Approved Date: **Sep 08, 2014**

[RRC STAFF Aug 20, 2014 2:12 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 21, 2014 1:39 PM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 28, 2014 1:19 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 28, 2014 1:23 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 28, 2014 2:55 PM]: As per Cynthia Ruby: Please find attached the P4 form to change the lease name from University 26-35 to University 2 Pooled Unit. There will not be a double assignment of acreage.; [RRC STAFF Sep 3, 2014 10:13 AM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 3, 2014 10:13 AM]: P12 plat attached.; [RRC STAFF Sep 6, 2014 1:25 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 8, 2014 11:10 AM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 8, 2014 11:10 AM]: No exception is needed for this application.

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

REAGAN (383) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
GRAYBURG	1,500	2,500		1	12/17/2013
QUEEN	1,900	2,500		2	12/17/2013
SAN ANDRES	2,000	5,000	saltwater flow, possibly heavy	3	12/17/2013
CLEARFORK	3,300	4,000		4	12/17/2013
SPRABERRY	3,300	10,000		5	12/17/2013
STRAWN	9,300	10,200		6	12/17/2013
FUSSELMAN	8,800	11,000		7	12/17/2013
ELLENBURGER	8,700	10,500		8	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 **September 8, 2014**

GAU File No.: **12046**

API Number **38300000**

Attention: **RYAN EMERY**

RRC Lease No. **000000**

SC_124828_38300000_000000_12046.pdf

CALLON PETROLEUM OPERATING CO P O BOX 1287 NATCHEZ MS 39121 P-5# 124828	--Measured--	Digital Map Location:
	1056 ft FWL	X-coord/Long 101.70000
	200 ft FNL	Y-coord/Lat 31.28850
	MRL:SECTION	Datum 83 Zone <input type="text"/>

County **REAGAN**

Lease & Well No. **UNIVERSITY 2 #2601LH&ALL**

Purpose **ND**

Location **SUR-UL, BLK-2, SEC-26, -- [TD=8900], [RRC 7C],**

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 475 feet must be protected.

This recommendation is applicable to all wells drilled in this PAD.

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,

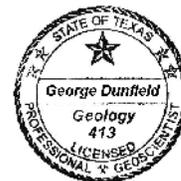
George Dunfield, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

Form GW-2
Rev. 02/2014

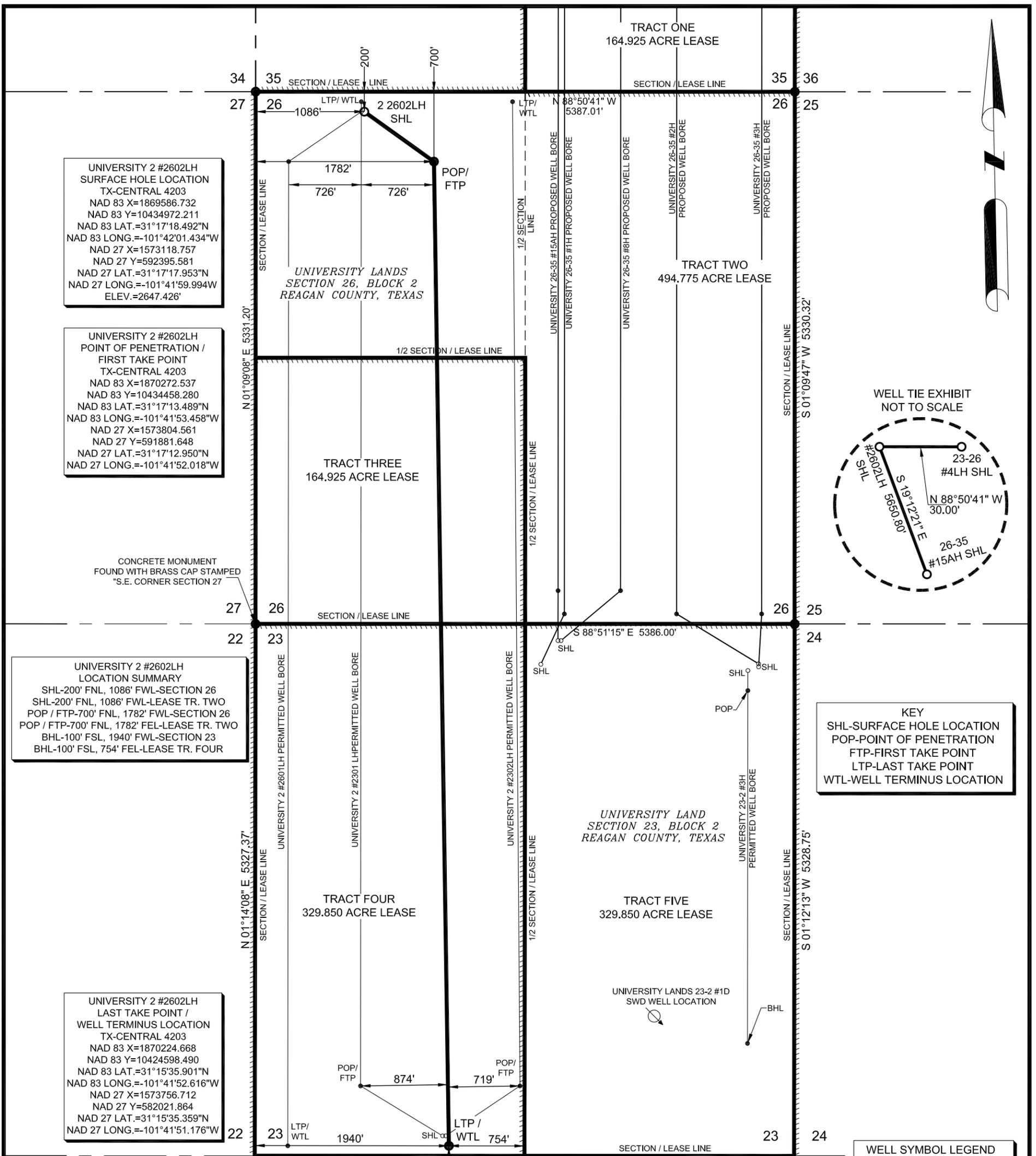
P.O. Box 12967 Austin, Texas 78711-2967 512-463-2741 Internet address: www.rrc.state.tx.us

GEOLOGIST SEAL



The seal appearing on this document was authorized by George Dunfield on 9/8/2014
Note: Alteration of this electronic document will invalidate the digital signature.

EXHIBIT



UNIVERSITY 2 #2602LH
SURFACE HOLE LOCATION
TX-CENTRAL 4203
NAD 83 X=1869586.732
NAD 83 Y=10434972.211
NAD 83 LAT.=31°17'18.492"N
NAD 83 LONG.= -101°42'01.434"W
NAD 27 X=1573118.757
NAD 27 Y=592395.581
NAD 27 LAT.=31°17'17.953"N
NAD 27 LONG.= -101°41'59.994"W
ELEV.=2647.426'

UNIVERSITY 2 #2602LH
POINT OF PENETRATION /
FIRST TAKE POINT
TX-CENTRAL 4203
NAD 83 X=1870272.537
NAD 83 Y=10434458.280
NAD 83 LAT.=31°17'13.489"N
NAD 83 LONG.= -101°41'53.458"W
NAD 27 X=1573804.561
NAD 27 Y=591881.648
NAD 27 LAT.=31°17'12.950"N
NAD 27 LONG.= -101°41'52.018"W

CONCRETE MONUMENT
FOUND WITH BRASS CAP STAMPED
"S.E. CORNER SECTION 27"

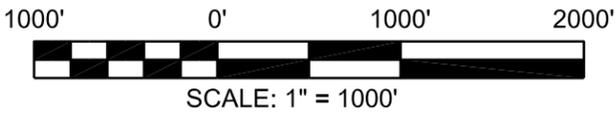
UNIVERSITY 2 #2602LH
LOCATION SUMMARY
SHL-200' FNL, 1086' FWL-SECTION 26
SHL-200' FNL, 1086' FWL-LEASE TR. TWO
POP / FTP-700' FNL, 1782' FWL-SECTION 26
POP / FTP-700' FNL, 1782' FWL-LEASE TR. TWO
BHL-100' FSL, 1940' FWL-SECTION 23
BHL-100' FSL, 754' FWL-LEASE TR. FOUR

UNIVERSITY 2 #2602LH
LAST TAKE POINT /
WELL TERMINUS LOCATION
TX-CENTRAL 4203
NAD 83 X=1870224.668
NAD 83 Y=10424598.490
NAD 83 LAT.=31°15'35.901"N
NAD 83 LONG.= -101°41'52.616"W
NAD 27 X=1573756.712
NAD 27 Y=582021.864
NAD 27 LAT.=31°15'35.359"N
NAD 27 LONG.= -101°41'51.176"W

UNIVERSITY 2 #2602LH WELL BORE SUMMARY
SHL TO POP / FTP=S 53°09'10" E, 857.00'
POP / FTP TO LTP / WTL=S 00°16'41" W, 9859.91'

KEY
SHL-SURFACE HOLE LOCATION
POP-POINT OF PENETRATION
FTP-FIRST TAKE POINT
LTP-LAST TAKE POINT
WTL-WELL TERMINUS LOCATION

WELL SYMBOL LEGEND
● OIL / GAS WELL
○ GAS WELL
○ PLUGGED OIL WELL
● OIL WELL / POP / BHL
○ PERMITTED LOCATION
● SHUT-IN OIL WELL
○ INJECTION/DISPOSAL

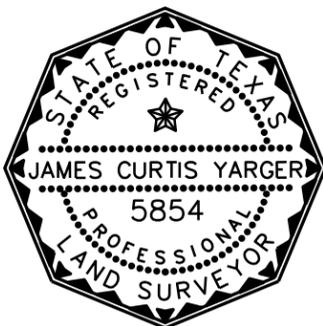


NOTES:

- 1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 27 AND NAD 83 DATUM (TEXAS CENTRAL ZONE 4203) DERIVED FROM GPS OBSERVATIONS AND ARE BASED ON NGS MONUMENT FENCE RESET (X=1,854,535.72, Y=10,476,254.22 NAD 83)
- 2.) LATITUDE & LONGITUDE ARE NAD 27 AND NAD 83 GEOGRAPHIC.
- 3.) THIS IS A WELL PLAT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY CALLON PETROLEUM OPERATING COMPANY. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON.

I HEREBY STATE THAT THIS PLAT
SHOWS THE PROPOSED WELL
LOCATION AS STAKED ON THE GROUND

James Curtis Yarger
JAMES CURTIS YARGER
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS #5854



Railroad Commission Permit Plat

UNIVERSITY 2 #2602LH WELL LOCATION

Situated in the
UNIVERSITY LANDS, SECTIONS 23 AND 26, BLOCK 2
Reagan County, Texas
Said Location Being
N 64°43' W, 15.7 miles from
the City of Big Lake, Reagan County, Texas

REV.	DATE	BY:	DESCRIPTION	CHK
1	8-20-14	TN	REVISE TRACT NAMES	TAN
PROJECT NO. 1404096				
8205 Camp Bowie West, Suite 204 Fort Worth, Texas 76116 (817) 386-0362 ~ Fax (682) 224-3377 TBPLS FIRM # 10193740				

DRAWN BY: GG	DATE: 05-05-14	DWG. NO.	REV.
CHECKED BY: CY	DATE: 05-06-14	1404096 UNIVERSITY 2 NO 2602LH RRC PERMIT PLAT EXTENDED UNIT	1
SCALE: 1"=1000'	APP.:	PAGE 1 OF 1	