

API No. <u>42-383-39106</u> Drilling Permit # <u>793083</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> <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>				<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>		
1. RRC Operator No. <div style="text-align: center;">124828</div>		2. Operator's Name (as shown on form P-5, Organization Report) <div style="text-align: center;">CALLON PETROLEUM OPERATING CO</div>			3. Operator Address (include street, city, state, zip): <div style="text-align: center;">P O BOX 1287 NATCHEZ, MS 39121-1287</div>			
4. Lease Name <div style="text-align: center;">UNIVERSITY 2</div>			5. Well No. <div style="text-align: center;">2602LH</div>					
<b>GENERAL INFORMATION</b>								
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input checked="" type="checkbox"/> New Drill</span> <span><input type="checkbox"/> Recompletion</span> <span><input type="checkbox"/> Reclass</span> <span><input type="checkbox"/> Field Transfer</span> <span><input type="checkbox"/> Re-Enter</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input type="checkbox"/> Amended</span> <span><input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)</span> </div>								
7. Wellbore Profile (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span><input type="checkbox"/> Vertical</span> <span><input checked="" type="checkbox"/> Horizontal (Also File Form W-1H)</span> <span><input type="checkbox"/> Directional (Also File Form W-1D)</span> <span><input type="checkbox"/> Sidetrack</span> </div>								
8. Total Depth <div style="text-align: center;">8900</div>		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. <div style="text-align: center;">7C</div>		12. County <div style="text-align: center;">REAGAN</div>		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 <div style="text-align: center;">26</div>	16. Block <div style="text-align: center;">2</div>	17. Survey <div style="text-align: center;">UL</div>		18. Abstract No. <div style="text-align: center;">A-U62</div>	19. Distance to nearest lease line: <div style="text-align: center;">100 ft.</div>	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>1484.33</b>		
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					
<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	32. Number of Wells on this lease in this Reservoir
7C	53613750	LIN (WOLFCAMP)			Oil or Gas Well	8800	719.00	13
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)</b>								
<u>Remarks</u> 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. <div style="text-align: center;"> <b>Cynthia Truby, HES Regulatory</b>  <b>Manager</b> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>           Name of filer  <u>(281)589-5200</u>            Phone         </div> <div>           Date submitted  <u>Jul 31, 2014</u>            E-mail Address (OPTIONAL)  <u>ctruby@callon.com</u> </div> </div>			
RRC Use Only    Data Validation Time Stamp:    Sep 8, 2014 11:31 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**

Form W-1H  
Supplemental Horizontal Well Information

07/2004

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

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A certification of the automated data is available in the RRC's Austin office.

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
<b>Lateral Drainhole Location Information</b>			
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	
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**

The RRC has not approved this application.  
Duplication or distribution of information is at  
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**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 # **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**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <b>793083</b>	DATE PERMIT ISSUED OR AMENDED <b>Sep 08, 2014</b>	DISTRICT <b>* 7C</b>	
API NUMBER <b>42-383-39106</b>	FORM W-1 RECEIVED <b>Jul 31, 2014</b>	COUNTY <b>REAGAN</b>	
TYPE OF OPERATION <b>NEW DRILL</b>	WELLBORE PROFILE(S) <b>Horizontal</b>	ACRES <b>1484.33</b>	
OPERATOR <b>CALLON PETROLEUM OPERATING CO</b> <b>P O BOX 1287</b> <b>NATCHEZ, MS 39121-1287</b>		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: <b>(325) 657-7450</b>	
LEASE NAME <b>UNIVERSITY 2</b>		WELL NUMBER <b>2602LH</b>	
LOCATION <b>15.7 miles NW direction from BIG LAKE</b>		TOTAL DEPTH <b>8900</b>	
Section, Block and/or Survey SECTION <b>26</b> BLOCK <b>2</b> ABSTRACT <b>U62</b> SURVEY <b>UL</b>			
DISTANCE TO SURVEY LINES <b>200 ft. NORTH    1086 ft. WEST</b>		DISTANCE TO NEAREST LEASE LINE <b>100 ft.</b>	
DISTANCE TO LEASE LINES <b>200 ft. NORTH    1086 ft. WEST</b>		DISTANCE TO NEAREST WELL ON LEASE <b>See FIELD(s) Below</b>	
FIELD(s) and LIMITATIONS: <p style="text-align: center;"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></p>			
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST WE
----- <b>LIN (WOLFCAMP)</b> <b>UNIVERSITY 2</b> -----		<b>1484.33</b> <b>100</b>	<b>8,800</b> <b>719</b>
----- WELLBORE PROFILE(s) FOR FIELD: <b>Horizontal</b> -----			
RESTRICTIONS:    No allowable will be assigned until lease ID 7C/18411 University 26-35 wells 1LH, 2LH, 3LH, 8H and 15AH are changed to the University 2 lease name. Lateral: TH1 Penetration Point Location Lease Lines:                      700.0 F NORTH L 1782.0 F WEST L Terminus Location BH County: REAGAN Section: 23                      Block: 2                      Abstract: Survey: UL Lease Lines:                      100.0 F SOUTH L 1940.0 F WEST L Survey Lines:                      100.0 F SOUTH L 1940.0 F WEST L			
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;"><b>793083</b></div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;"><b>Sep 08, 2014</b></div>	DISTRICT <div style="text-align: center;"><b>* 7C</b></div>										
API NUMBER <div style="text-align: right;"><b>42-383-39106</b></div>	FORM W-1 RECEIVED <div style="text-align: center;"><b>Jul 31, 2014</b></div>	COUNTY <div style="text-align: center;"><b>REAGAN</b></div>										
TYPE OF OPERATION <div style="text-align: center;"><b>NEW DRILL</b></div>	WELLBORE PROFILE(S) <div style="text-align: center;"><b>Horizontal</b></div>	ACRES <div style="text-align: center;"><b>1484.33</b></div>										
OPERATOR <div style="text-align: right;"><b>124828</b></div> <div style="text-align: center;"><b>CALLON PETROLEUM OPERATING CO</b></div> <div style="text-align: center;"><b>P O BOX 1287</b></div> <div style="text-align: center;"><b>NATCHEZ, MS 39121-1287</b></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;"><b>(325) 657-7450</b></div>										
LEASE NAME <div style="text-align: center;"><b>UNIVERSITY 2</b></div>		WELL NUMBER <div style="text-align: center;"><b>2602LH</b></div>										
LOCATION <div style="text-align: center;"><b>15.7 miles NW direction from BIG LAKE</b></div>		TOTAL DEPTH <div style="text-align: center;"><b>8900</b></div>										
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION  <b>26</b></div> <div>BLOCK  <b>2</b></div> <div>ABSTRACT  <b>U62</b></div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY  <b>UL</b></div> </div>												
DISTANCE TO SURVEY LINES <div style="display: flex; justify-content: space-around;"> <div><b>200 ft. NORTH</b></div> <div><b>1086 ft. WEST</b></div> </div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;"><b>100 ft.</b></div>										
DISTANCE TO LEASE LINES <div style="display: flex; justify-content: space-around;"> <div><b>200 ft. NORTH</b></div> <div><b>1086 ft. WEST</b></div> </div>		DISTANCE TO NEAREST WELL ON LEASE <div style="text-align: center;"><b>See FIELD(s) Below</b></div>										
FIELD(s) and LIMITATIONS: <div style="text-align: center; padding-top: 10px;"><b>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</b></div>												
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">FIELD NAME</td> <td style="width: 15%;">ACRES</td> <td style="width: 15%;">DEPTH</td> <td style="width: 10%;">WELL #</td> <td style="width: 10%;">DIST</td> </tr> <tr> <td>LEASE NAME</td> <td>NEAREST LEASE</td> <td></td> <td>NEAREST WE</td> <td></td> </tr> </table>			FIELD NAME	ACRES	DEPTH	WELL #	DIST	LEASE NAME	NEAREST LEASE		NEAREST WE	
FIELD NAME	ACRES	DEPTH	WELL #	DIST								
LEASE NAME	NEAREST LEASE		NEAREST WE									
<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> <p>No allowable will be assigned until lease ID 7C/18411 University 26-35 wells 1LH, 2LH, 3LH, 8H and 15AH are changed to the University 2 lease name.</p>												

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--**

**1056 ft FWL**

**200 ft FNL**

**MRL:SECTION**

Digital Map Location:

X-coord/Long **101.70000**

Y-coord/Lat **31.28850**

Datum **83**

Zone

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](mailto: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

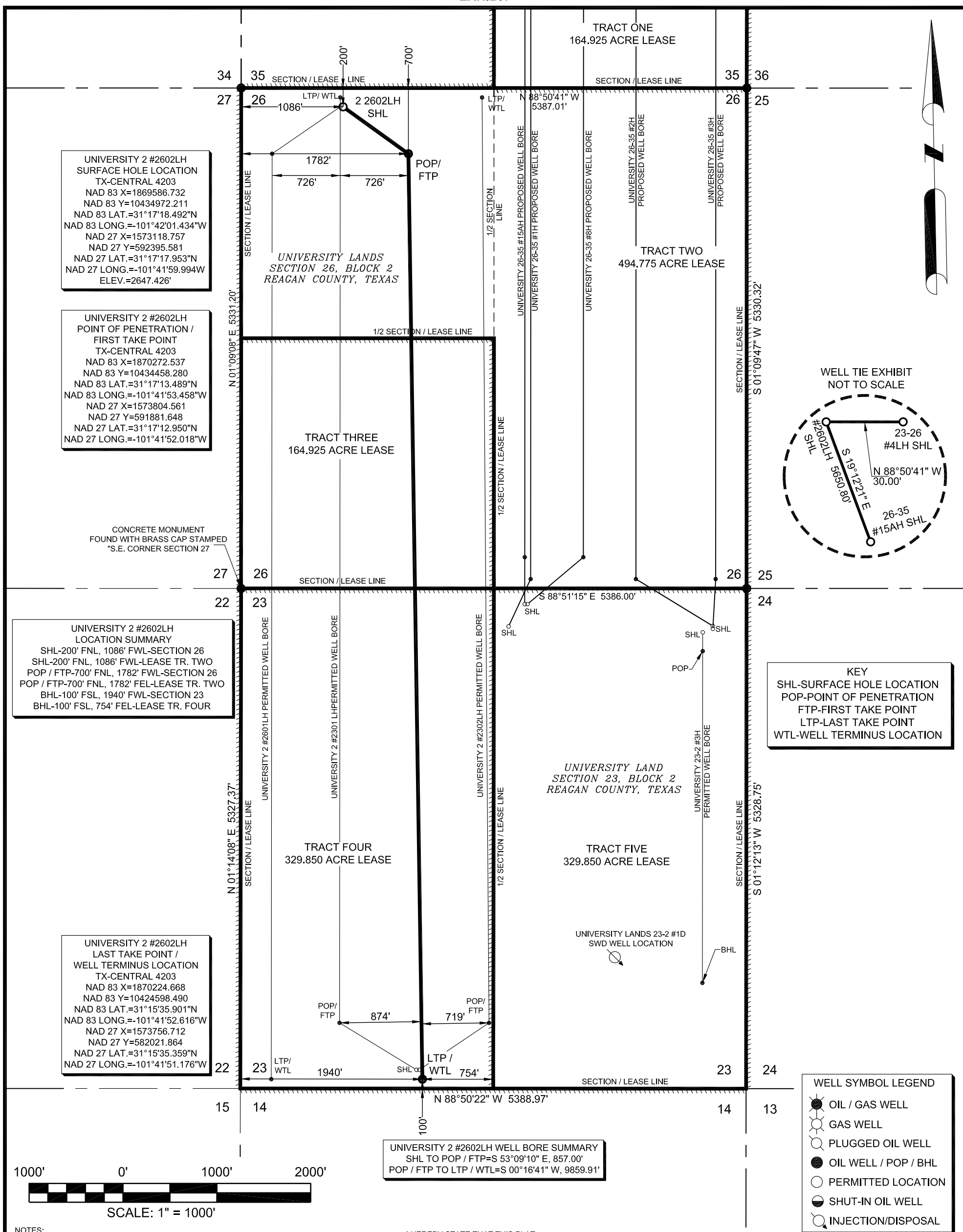
Internet address: [www.rrc.state.tx.us](http://www.rrc.state.tx.us)

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**



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.


1	8-20-14	TN	REVISE TRACT NAMES	TAN
REV.	DATE	BY:	DESCRIPTION	CHK

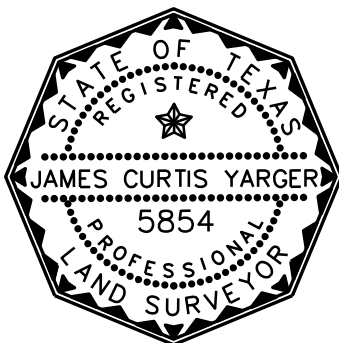
PROJECT NO. 1404096



8205 Camp Bowie West, Suite 204  
Fort Worth, Texas 76116  
(817) 386-0362 ~ Fax (682) 224-3377  
TBPLS FIRM # 10193740

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

  
JAMES CURTIS TARGER  
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

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