

**RAILROAD COMMISSION OF TEXAS**

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Status:

Form W-2

Work in Progress

Date:

Tracking No.:

119795

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG**OPERATOR INFORMATION**

Operator Name: ENERVEST OPERATING, L.L.C. Operator No.: 252131
Operator Address: ATTN REGULATORY COMPLIANCE 1001 FANNIN STE 800 HOUSTON, TX 77002-0000

WELL INFORMATION

API No.: 42-413-32919 County: SCHLEICHER
Well No.: 1H RRC District No.: 7C
Lease Name: UNIVERSITY 55 11 (PSA) Field Name: OZONA, NE. (CANYON 7520)
RRC Lease No.: Field No.: 67998500
Location: 11, 55, UNIVERSITY LAND, A-
Latitude: Longitude:
This well is located 22 miles in a NOR direction from ELDORADO, which is the nearest town in the county.
THW
EST

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 04/10/2014 782895
Rule 37 Exception 0288324
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 04/15/2014 Date of first production after rig released: 07/30/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 04/15/2014 Date plug back, deepening, recompletion, or drilling operation ended: 05/11/2014
Number of producing wells on this lease in this field (reservoir) including this well: 5 Distance to nearest well in lease & reservoir (ft.): 587.0
Total number of acres in lease: 995.15 Elevation (ft.): 2564 RKB
Total depth TVD (ft.): 6138 Total depth MD (ft.): 13946
Plug back depth TVD (ft.): 6084 Plug back depth MD (ft.): 13895
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 83.2
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No Multiple completion? No
Type(s) of electric or other log(s) run: Combo of Induction/Neutron/Density
Electric Log Other Description:

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

| Field & Reservoir | Gas ID or Oil Lease No. | Well No. | Prior Service Type |
|-------------------|-------------------------|----------|--------------------|
|-------------------|-------------------------|----------|--------------------|

PACKET: N/A

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

| | | |
|--|--------------------|------------------|
| GAU Groundwater Protection Determination | Depth (ft.): 625.0 | Date: 04/08/2014 |
| SWR 13 Exception | Depth (ft.): | |

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

Date of test: 08/16/2014 Production method: Gas Lift
 Number of hours tested: 24 Choke size: 30
 Was swab used during this test? No Oil produced prior to test: 1684.00

PRODUCTION DURING TEST PERIOD:

Oil (BBLs): 79.00 Gas (MCF): 330
 Gas - Oil Ratio: 4177 Flowing Tubing Pressure: 300.00
 Water (BBLs): 170

CALCULATED 24-HOUR RATE

Oil (BBLs): 79.0 Gas (MCF): 330
 Oil Gravity - API - 60.: 40.2 Casing Pressure: 800.00
 Water (BBLs): 170

CASING RECORD

| Row | Type of Casing | Casing Size (in.) | Hole Size (in.) | Setting Depth (ft.) | Multi - Stage Depth (ft.) | Multi - Shoe Depth (ft.) | Cement Class | Cement Amount (sacks) | Slurry Volume (cu. ft.) | Top of Cement (ft.) | TOC Determined By |
|-----|-------------------------|-------------------|-----------------|---------------------|---------------------------|--------------------------|--------------|-----------------------|-------------------------|---------------------|-----------------------|
| 1 | Surface | 9 5/8 | 12 1/4 | 1198 | | | C | 537 | 1072.0 | 0 | Circulated to Surface |
| 2 | Conventional Production | 5 1/2 | 8 3/4 | 13941 | | | H | 2742 | 3828.0 | 0 | Circulated to Surface |

LINER RECORD

| Row | Liner Size (in.) | Hole Size (in.) | Liner Top (ft.) | Liner Bottom (ft.) | Cement Class | Cement Amount (sacks) | Slurry Volume (cu. ft.) | Top of Cement (ft.) | TOC Determined By |
|-----|------------------|-----------------|-----------------|--------------------|--------------|-----------------------|-------------------------|---------------------|-------------------|
| N/A | | | | | | | | | |

TUBING RECORD

| Row | Size (in.) | Depth (ft.) | Packer Depth (ft.)/Type |
|-----|------------|-------------|-------------------------|
| 1 | 2 7/8 | 6158 | 6165 / TRYTON |

PRODUCING/INJECTION/DISPOSAL INTERVAL

| Row | Open hole? | From (ft.) | To (ft.) |
|-----|------------|------------|----------|
| 1 | No | L1 6637 | 13885.0 |

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9000 Actual maximum pressure (PSIG) during hydraulic fracturing: 9604

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

| Row | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |
|-----|-------------------|--|----------------------|
| 1 | Fracture | 29,571 G ACID / 1,394,425 G WATER / 4,501,955 # SAND | 6637 - 13885 |
| 2 | Other | 246 SKS "H" CEMENT | 5044 - 5044 |

FORMATION RECORD

| Formations | Encountered | Depth TVD (ft.) | Depth MD (ft.) | Is formation isolated? | Remarks |
|------------|-------------|-----------------|----------------|------------------------|---------|
|------------|-------------|-----------------|----------------|------------------------|---------|

| | | | | | |
|--|-----|--------|--------|----|-----------------|
| CANYON | No | | | No | NOT ENCOUNTERED |
| STRAWN | No | | | No | NOT ENCOUNTERED |
| ELLENBURGER | No | | | No | NOT ENCOUNTERED |
| SAN ANGELO - 20 MILES NORTHWEST OF ELDORADO | No | 700.0 | 700.0 | No | PINCHED OUT |
| COLEMAN JUNCTION - NORTHERN HALF | No | 1000.0 | 1000.0 | No | PINCHED OUT |
| CLEARFORK | No | 1300.0 | 1300.0 | No | PINCHED OUT |
| WOLFCAMP | Yes | 5269.0 | 5269.0 | No | PRODUCTION ZONE |
| Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm (SWR 36)? | | | | | No |
| Is the completion being downhole commingled (SWR 10)? | | | | | No |

REMARKS

KOP 5476' ALL ZONES ARE INCLUDED IN OZONA, NE. (CANYON 7520). CEMENT PLUG SET @ 5044'. SIDETRACK TIE-IN @ 5239.

RRC REMARKS

POTENTIAL TEST DATA:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

PUBLIC COMMENTS:

OPERATOR'S CERTIFICATION

Printed Name: Robin Downing
Telephone No.: (325) 387-7320

Title: Regulatory Analyst
Date Certified: 11/05/2014

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG
STATUS REPORT

FORM L-1

Tracking No.: 119795

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:

- with the appropriate Commission district office

Filling out Form L-1:

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

| | | |
|--|-------------------------------|--------------------------------|
| Operator Name: ENERVEST OPERATING, L.L.C. | District No. 7C | Completion Date: 07/30/2014 |
| Field Name OZONA, NE. (CANYON 7520) | Drilling Permit No. 782895 | |
| Lease Name UNIVERSITY 55 11 (PSA) | Lease/ID No. | Well No. 1H |
| County SCHLEICHER | API No. 42- 413-32919 | |

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Robin Downing

Signature

ENERVEST OPERATING, L.L.C.

Name (print)

Regulatory Analyst

Title

(325) 387-7320

Phone

11/05/2014

Date

-FOR RAILROAD COMMISSION USE ONLY-

CERTIFICATE OF COMPLIANCE
AND TRANSPORTATION AUTHORITY

P-4

Tracking No.: 119795

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

| | | | | | | | |
|---|-----------|---|-----------------------|---|---|-----------------|------------------|
| 1. Field name exactly as shown on proration schedule OZONA, NE. (CANYON 7520) | | 2. Lease name as shown on proration schedule UNIVERSITY 55 11 (PSA) | | | | | |
| 3. Current operator name exactly as shown on P-5 Organization Report ENERVEST OPERATING, L.L.C. | | 4. Operator P-5 no. 252131 | 5. Oil Lse/Gas ID no. | 6. County SCHLEICHER | 7. RRC district 7C | | |
| 8. Operator address including city, state, and zip code ATTN REGULATORY COMPLIANCE 1001 FANNIN STE 800 HOUSTON, TX 77002 | | 9. Well no(s) (see instruction E) 1H | | | 11. Effective Date 07/30/2014 | | |
| | | 10. Classification <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A) | | | | | |
| 12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G) a. Change of: <input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code <div style="margin-left: 150px;"><input type="checkbox"/> field name from _____ <input type="checkbox"/> lease name from _____</div> <p style="text-align: center;">-- OR --</p> b. New RRC Number for: <input checked="" type="checkbox"/> oil lease <input type="checkbox"/> gas well Due to: <input checked="" type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil <input type="checkbox"/> other well (specify) _____ <input type="checkbox"/> consolidation, unitization, or subdivision (oil lease only) | | | | | | | |
| 13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G). | | | | | | | |
| Gatherer | Purchaser | Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed) | | | Purchaser's RRC Assigned System Code | Percent of Take | Full-well stream |
| X | | DCP MIDSTREAM, LP(195918) | | | | 100.0 | |
| | X | HIGHMOUNT EXPL & PROD TEXAS LLC(385842) | | | 0001 | 100.0 | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G). | | | | | | | |
| Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed) | | | | | | Percent of Take | |
| SHELL TRADING (US) COMPANY(774715) | | | | | | 100.0 | |
| | | | | | | | |
| | | | | | | | |
| RRC USE ONLY: Reviewer's initials: _____ Approval date: _____ | | | | | | | |
| 15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission. | | | | | | | |
| Name of Previous Operator _____ Name (print) _____ Title _____ | | | | Signature <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G) _____ Date _____ Phone with area code _____ | | | |
| 16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission. | | | | | | | |
| ENERVEST OPERATING, L.L.C. Name (print) Regulatory Analyst Title rdowning@enervest.net E-mail Address (optional) | | | | Robin Downing Signature <input checked="" type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G) 11/05/2014 Date _____ Phone with area code (325) 387-7320 | | | |

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 119795

This facsimile P-15 was generated electronically
from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the ENERVEST OPERATING, L.L.C. ,

OPERATOR

UNIVERSITY 55 11 (PSA)

LEASE

No. 1H

WELL

; that such well is

completed in the OZONA, NE. (CANYON 7520) Field, SCHLEICHER County,

Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces _____

45.6 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 11/05/2014

Signature

Robin Downing

Telephone (325) 387-7320

AREA CODE

Title Regulatory Analyst

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

| | | | |
|--|---------------------|--------------------------|------------------------|
| 1. Operator's Name (As shown on Form P-5, Organization Report) | 2. RRC Operator No. | 3. RRC District No. | 4. County of Well Site |
| ENERVEST OPERATING, LLC | 252131 | 7C | SCHLEICHER |
| 5. Field Name (Wildcat or exactly as shown on RRC Records) | 6. API No. | 7. Drilling Permit No. | |
| OZONA, NE. (CANYON 7520) | 42-413-32919 | 782895 | |
| 8. Lease Name | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well No. |
| UNIVERSITY 55 11 (PSA) | | | 1H |

| CASING CEMENTING DATA: | | Surface Casing | INTER-MEDIATE CASING | PRODUCTION CASING | | MULTI-STAGE CEMENTING PROCESS | |
|---|-------------------------------------|----------------|----------------------|-------------------|---------------------------|-------------------------------|------|
| | | | | Single String | Multiple Parallel Strings | Tool | Shoe |
| 12. Cementing Date | | 4/16/14 | | | | | |
| 13. • Drilled Hole Size | | 12 1/4" | | | | | |
| • Est. % wash or hole enlargement | | | | | | | |
| 14. Size of casing (in. O.D.) | | 9 5/8" | | | | | |
| 15. Top of liner (ft.) | | | | | | | |
| 16. Setting depth (ft.) | | 1198' | | | | | |
| 17. Number of centralizers used | | 8 | | | | | |
| 18. Hrs. Waiting on cement before drill-out | | 4.5 | | | | | |
| 1 st Slurry | 19. API cement used: No. of sacks | 228 | | | | | |
| | Class | "C" | | | | | |
| | Additives | #22 | | | | | |
| 2 nd Slurry | No. of sacks | 309 | | | | | |
| | Class | "C" | | | | | |
| | Additives | #22 | | | | | |
| 3 rd Slurry | Class | | | | | | |
| | Additives | | | | | | |
| 1 st | 20. Slurry pumped: Volume (cu. ft.) | 658 | | | | | |
| | Height (ft.) | 2100 | | | | | |
| 2 nd | Volume (cu. ft.) | 414 | | | | | |
| | Height (ft.) | 1321 | | | | | |
| 3 rd | Volume (cu. ft.) | | | | | | |
| | Height (ft.) | | | | | | |
| Total | Volume (cu. ft.) | 1072 | | | | | |
| | Height (ft.) | 3421 | | | | | |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing? | | YES | | | | | |
| 22. Remarks: 1 ST SLURRY "C" + 1% CACL2 + 3% SMS + .125 PPS CELLOFLAKE +.01% SF 2 nd SLURRY "C" + 1% CACL2 +.01% SF CIRCULATED 155 SACKS (80 BBLS) AT 11.4 PPG | | | | | | | |

| CEMENTING TO PLUG AND ABANDON | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date | | | | | | | | |
| 24. Size of hole or pipe plugged (in.) | | | | | | | | |
| 25. Depth to bottom of tubing or drill pipe (ft.) | | | | | | | | |
| 26. Sacks of cement used (each plug) | | | | | | | | |
| 27. Slurry volume pumped (cu. ft.) | | | | | | | | |
| 28. Calculated top of plug (ft.) | | | | | | | | |
| 29. Measured top of plug, if tagged (ft.) | | | | | | | | |
| 30. Slurry wt. (lb/gal) | | | | | | | | |
| 31. Type cement | | | | | | | | |

CEMENTER'S CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this Certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my Supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Robert J Carles, Service Supervisor

Name and title of cementer's representative

Baker Hughes

Cementing Company

Signature

P.O. Box 1135

Address

Eldorado
City,

Texas
State,

76936
Zip Code

(325) 853-2553
Tel: Area Code Number

4/16/2014
Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form Are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Robin Downing

Typed or printed name of operator's representative

Regulatory Analyst

Title

Signature

PO Box 618

Address

Sonora, TX. 76950

City, State, Zip Code
Instructions to Form W-15, Cementing Report

325-387-7320

Tel.: Area Code Number

5/15/14

Date: mo. day yr.

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following.

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rates;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface Casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Committee.

D. Centralizers. Surface Casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In Non-deviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three foot below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

| | | | | |
|---|--|--------------------------------------|----------------------------------|---|
| 1. Operator's Name (As shown on Form P-5, Organization Report) EnerVest Operating, LLC. | | 2. RRC Operator No. 252131 | 3. RRC District No. 7C | 4. County of Well Site SCHLEICHER |
| 5. Field Name (Wildcat or exactly as shown on RRC Records) Ozona, NE. (Canyon7520) | | | 6. APINo. 42-413-32919 | 7. Drilling Permit No. 782895 |
| 8. Lease Name UNIVERSITY 55 11 (PSA) | | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well No. 1H |

| CASING CEMENTING DATA: | | SURFACE CASING | INTER-MEDIATE CASING | PRODUCTION CASING | | MULTI-STAGE CEMENTING PROCESS | |
|--|---------------------------------------|----------------|----------------------|-------------------|---------------------------|-------------------------------|------|
| | | | | Single String | Multiple Parallel Strings | Tool | Shoe |
| 12. Cementing Date | | | | | | | |
| 13. • Drilled Hole Size | | | | | | | |
| • Est. % wash or hole enlargement | | | | | | | |
| 14. Size of casing (in. O.D.) | | | | | | | |
| 15. Top of liner (ft.) | | | | | | | |
| 16. Setting depth (ft.) | | | | | | | |
| 17. Number of centralizers used | | | | | | | |
| 18. Hrs. Waiting on cement before drill-out | | | | | | | |
| 1 st Slurry | 19. API cement used: No. of sacks ▶ | | | | | | |
| | Class ▶ | | | | | | |
| | Additives ▶ | | | | | | |
| 2 nd Slurry | No. of sacks ▶ | | | | | | |
| | Class ▶ | | | | | | |
| | Additives ▶ | | | | | | |
| 3 rd Slurry | No. of sacks ▶ | | | | | | |
| | Class ▶ | | | | | | |
| | Additives ▶ | | | | | | |
| 1st | 20. Slurry pumped: Volume (cu. ft.) ▶ | | | | | | |
| | Height (ft.) ▶ | | | | | | |
| 2nd | Volume (cu. ft.) ▶ | | | | | | |
| | Height (ft.) ▶ | | | | | | |
| 3rd | Volume (cu. ft.) ▶ | | | | | | |
| | Height (ft.) ▶ | | | | | | |
| Total | Volume (cu. ft.) ▶ | | | | | | |
| | Height (ft.) ▶ | | | | | | |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing ? | | | | | | | |
| Remar LEAD;H+7% S8C+.1%ASA30I+.1%R-3+.01%SF | | | | | | | |

| CEMENTING TO PLUG AND ABANDON | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date | 4/30/14 | | | | | | | |
| 24. Size of hole or pipe plugged (in.) | 8.75 | | | | | | | |
| 25. Depth to bottom of tubing or drill pipe (ft.) | 5765 | | | | | | | |
| 26. Sacks of cement used (each plug) | 246 | | | | | | | |
| 27. Slurry volume pumped (cu. ft.) | 301 | | | | | | | |
| 28. Calculated top of plug (ft.) | 5044 | | | | | | | |
| 29. Measured top of plug, if tagged (ft.) | NA | | | | | | | |
| 30. Slurry wt. (lb/gal) | 15.8 | | | | | | | |
| 31. Type cement | H | | | | | | | |

CEMENTER'S CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this Certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my Supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

LEVANDOWSKI, Service Supervisor

Name and title of cementer's representative

BAKER HUGHES Company

Cementing Company

[Signature]
Signature

P.O. Box 1135

Address Eldorado Texas 76936 (325) 853-2553 4/30/2014
City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form Are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Robin Downing

Typed or printed name of operator's representative

Regulatory Analyst

Title

[Signature]
Signature

PO Box 618

Sonora, Texas 76950

325-387-7320

5/19/14

Address City, State, Zip Code Tel: Area Code Number Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

- A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following.
- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rates;
 - Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
 - Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- B. Where to file. The appropriate Commission District Office for the county in which the well is located.
- C. Surface Casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Committee.
- D. Centralizers. Surface Casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In Non-deviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.
- E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.
- F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (3) and (4).
- G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three foot below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

L [Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

| | | | |
|---|--------------------------------------|-----------------------------------|---|
| 1. Operator's Name (As shown on Form P-5, Organization Report) EnerVest Operating, LLC. | 2. RRC Operator No. 252131 | 3. RRC District No. 7C | 4. County of Well Site Schleicher |
| 5. Field Name (Wildcat or exactly as shown on RRC Records) Ozona, NE. (Canyon 7520) | | 6. API No. 42-413-32919 | 7. Drilling Permit No. 782895 |
| 8. Lease Name University 55 11 (PSA) | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well No. #1H |

| CASING CEMENTING DATA: | | SURFACE CASING | INTER-MEDIATE CASING | PRODUCTION CASING | | MULTI-STAGE CEMENTING PROCESS | |
|--|---------------------------------------|----------------|----------------------|-------------------|---------------------------|-------------------------------|------|
| | | | | Single String | Multiple Parallel Strings | Tool | Shoe |
| 12. Cementing Date | | | | 5-11-14 | | | |
| 13. • Drilled Hole Size | | | | 8 3/4" | | | |
| • Est. % wash or hole enlargement | | | | | | | |
| 14. Size of casing (in. O.D.) | | | | 5 1/2" | | | |
| 15. Top of liner (ft.) | | | | | | | |
| 16. Setting depth (ft.) | | | | 13941' | | | |
| 17. Number of centralizers used | | | | 10 | | | |
| 18. Hrs. Waiting on cement before drill-out | | | | | | | |
| 1 st Slurry | 19. API cement used: No. of sacks ▶ | | | 399 | | | |
| | Class ▶ | | | "H" | | | |
| | Additives ▶ | | | #22 | | | |
| 2 nd Slurry | No. of sacks ▶ | | | 2343 | | | |
| | Class ▶ | | | "H" | | | |
| | Additives ▶ | | | #22 | | | |
| 3 rd Slurry | No. of sacks ▶ | | | | | | |
| | Class ▶ | | | | | | |
| | Additives ▶ | | | | | | |
| 1 st | 20. Slurry pumped: Volume (cu. ft.) ▶ | | | 824 | | | |
| | Height (ft.) ▶ | | | 3262 | | | |
| 2 nd | Volume (cu. ft.) ▶ | | | 3004 | | | |
| | Height (ft.) ▶ | | | 11893 | | | |
| 3 rd | Volume (cu. ft.) ▶ | | | | | | |
| | Height (ft.) ▶ | | | | | | |
| Total | Volume (cu. ft.) ▶ | | | 3828 | | | |
| | Height (ft.) ▶ | | | 15155 | | | |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing ? | | | | Yes | | | |

Remark: Lead: 35:65 Poz H+ 6% Bentonite+ 0.45% FL-52+ 0.1% ASA-301+ 5% (bwow) Salt+ 0.1% R-3+ 3pps Kol Seal+ 0.125pps Cello Flake+ 0.01% Static Free.
Tail: 50:50 Poz: H+ 0.4% FL-52+ 0.5% FL-25+ 0.3% CD-32+ 0.6% SMS+ 5% (bwow) Salt+ 0.15% R-3. Circulated cement to the surface 33bbls of Lead cement or 90 sacks.

| CEMENTING TO PLUG AND ABANDON | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date | | | | | | | | |
| 24. Size of hole or pipe plugged (in.) | | | | | | | | |
| 25. Depth to bottom of tubing or drill pipe (ft.) | | | | | | | | |
| 26. Sacks of cement used (each plug) | | | | | | | | |
| 27. Slurry volume pumped (cu. ft.) | | | | | | | | |
| 28. Calculated top of plug (ft.) | | | | | | | | |
| 29. Measured top of plug, if tagged (ft.) | | | | | | | | |
| 30. Slurry wt. (lb/gal) | | | | | | | | |
| 31. Type cement | | | | | | | | |

CEMENTER'S CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this Certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my Supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Gregg L Underwood, Service Supervisor.
Name and title of cementer's representative

Baker Hughes Oilfield Operations Inc.
Cementing Company

Signature

P. O. Box 1135
Address

Eldorado
City,

Texas
State,

76936
Zip Code

(325) 853-2553
Tel: Area Code Number

5 / 11 / 2014
Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form Are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Robin Downing
Typed or printed name of operator's representative

Regulatory Analyst
Title

Signature

PO Box 618
Address

Sonora, Texas 76950
City, State, Zip Code

325-387-7320
Tel.: Area Code Number

6/16/14
Date: mo. day yr.

Instructions to Form W-15, Cementing Report

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- To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Company: HIGHMOUNT E & P TEXAS LLC

Well: UNIVERSITY 55 11 (PSA) #1H

Field: OZONA, NE. (CANYON 7520)

County: SCHLEICHER State: TEXAS

PLATFORM EXPRESS

Compensated Neutron Log

Three Detector Litho-Density

County: SCHLEICHER
 Field: OZONA, NE. (CANYON 7520)
 Location: 2719' FNL & 640' FEL
 Well: UNIVERSITY 55 11 (PSA) #1H
 Company: HIGHMOUNT E & P TEXAS LLC

| | | | |
|-------------------------|----------------------------|---------------|-------------------|
| Location: | 2719' FNL & 640' FEL | Elev.: | K.B. 2563.00 ft |
| | Sec. 11, Blk. 55, Abs: N/A | | G.L. 2541.00 ft |
| | Survey: UNIVERSITY LAND | | D.F. 2562.00 ft |
| Permanent Datum: | | Ground Level | Elev.: 2541.00 f |
| Log Measured From: | | Kelly Bushing | 22.00 ft |
| Drilling Measured From: | | Kelly Bushing | above Perm. Datum |
| API Serial No. | | Section: | Block: |
| 42-413-32919 | | 11 | 55 |
| | | | Abstract: |
| | | | N/A |

| | |
|-----------------------------|-------------------------------|
| Logging Date | 28-Apr-2014 |
| Run Number | 1B |
| Depth Driller | 7500.00 ft |
| Schlumberger Depth | 7500.00 ft |
| Bottom Log Interval | 7509.00 ft |
| Top Log Interval | 1200.00 ft |
| Casing Driller Size @ Depth | 9.625 in @ 1198.00 ft |
| Casing Schlumberger | 1200 ft |
| Bit Size | 8.75 in |
| Type Fluid In Hole | Oil |
| Density | 9 lbm/gal |
| Fluid Loss | PH |
| Source of Sample | N/A |
| RM @ Meas Temp | N/A |
| RMF @ Meas Temp | N/A |
| RMC @ Meas Temp | N/A |
| Source RMC | N/A |
| RM @ BHT | N/A |
| RMF @ BHT | N/A |
| Max Recorded Temperatures | 165 degF |
| Circulation Stopped | 28-Apr-2014 09:30:00 |
| Logger on Bottom | 28-Apr-2014 23:45:00 |
| Unit Number | 3020 |
| Location: | Abilene, Texas |
| Recorded By | Zach Klein |
| Witnessed By | Andrew Van Horn/Kevin Magness |

Disclaimer

THE USE OF AND RELIANCE UPON THIS RECORDED-DATA BY THE HEREIN NAMED COMPANY (AND ANY OF ITS AFFILIATES, PARTNERS, REPRESENTATIVES, AGENTS, CONSULTANTS AND EMPLOYEES) IS SUBJECT TO THE TERMS AND CONDITIONS AGREED UPON BETWEEN SCHLUMBERGER AND THE COMPANY, INCLUDING: (a) RESTRICTIONS ON USE OF THE RECORDED-DATA; (b) DISCLAIMERS AND WAIVERS OF WARRANTIES AND REPRESENTATIONS REGARDING COMPANY'S USE AND RELIANCE UPON THE RECORDED-DATA; AND (c) CUSTOMER'S FULL AND SOLE RESPONSIBILITY FOR ANY INFERENCE DRAWN OR DECISION MADE IN CONNECTION WITH THE USE OF THIS RECORDED-DATA.

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2. Disclaimer
3. Contents
4. Operational Run Summary
5. Remarks and Equipment Summary
6. Depth Summary
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 - 7.1 Integration Summary
 - 7.2 Software Version
 - 7.3 Composite Summary
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 - 8.3 Log (Abilene Porosity 5 inch)
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9. 1B High Resolution 10" = 100'

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 - 13.1 Integration Summary
 - 13.2 Composite Summary
 - 13.3 Log (Abilene Porosity 1 inch)

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date **April 8, 2014**

GAU File No. **4382**

***** EXPEDITED APPLICATION *****

API Number **41300000**

Attention: **CARLA GOMEZ**

RRC Lease No. **000000**

SC_385842_41300000_000000_4382.pdf

--Measured--

640 ft FEL

2719 ft FNL

MRL:SECTION

Digital Map Location:

X-coord/Long **1810055**

Y-coord/Lat **477473**

Datum **27** Zone **C**

HIGHMOUNT E&P TEXAS LLC
14000 QUAIL SPRINGS PKY
STE 600
OKLAHOMA CITY OK 73134

P-5# 385842

County **SCHLEICHER**

Lease & Well No. **UNIVERSITY 55 11 -PSA- #1H**

Purpose **ND**

Location **SUR-UL,BLK-55,SEC-11,--[TD=6600],[RRC 7C],**

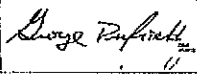
To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from the land surface to 20 feet below the base of Cretaceous-age beds must be protected. The base of the Cretaceous is estimated to occur at a depth of 625 feet.

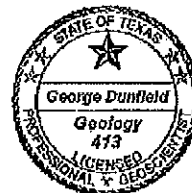
Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,


Digitally signed by George Dunfield
DN: c=US, st=TEXAS, o=Austin, ou=Railroad
Commission of Texas, cn=George Dunfield,
email=george.dunfield@rrc.state.tx.us
Date: 2014.04.08 13:15:43 -0500
George Dunfield, P.G.

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit
Oil & Gas Division

The seal appearing on this document was authorized by George Dunfield on 4/8/2014
Note: Alteration of this electronic document will invalidate the digital signature.

Form GW-2
Rev. 6/2/2014

P.O. Box 12067 Austin, Texas 78711-2967 512-463-2741 Internet address: www.rrc.state.tx.us



RAILROAD COMMISSION OF TEXAS

STATEWIDE RULE 13 EXCEPTION APPLICATION/ALTERNATIVE REQUEST

Surface Casing: 13(b)(1)(H), Tubing: 13(b)(4)(B), Drilling Fluid: 13(a)(5)(C), or Non-standard Cement 13(b)(1)(D)

| | | | |
|---|-----------------------------|---------------------------------------|---|
| 1. Operator: HighMount Expl & Prod Texas LLC | 2. P-5 No.: 386842 | 3. Lease Name: University 55 11 (PSA) | 4. Well No.: 1H |
| 5. Street Address: 14000 Quail Springs Parkway, Suite 600, Oklahoma City, OK 73134 | 6. RRC District: 7C | 7. Drill Permit No.: 782895 | |
| 8. Field Name: Ozona, NE. (Canyon 7520) | 9. County: Schleicher | 10. Proposed Depth: 6600 | <input checked="" type="checkbox"/> IVD <input type="checkbox"/> MD |
| 11. Well Location: Latitude: 30.978124 | | Longitude: 100.939404 | |
| Survey Name: University Land | | Datum: 27 | |
| Abstract No: | | Block/Township: 55 | |
| Section: 11 | | | |
| 12. GAU No.: 4382 (attach letter) | Recommendation Type (below) | | 13. Usable-Quality Water (determined by GAU): 625 ft. |
| <input checked="" type="checkbox"/> Well <input type="checkbox"/> Lease <input type="checkbox"/> Survey <input type="checkbox"/> Pad <input type="checkbox"/> Radius: | | | Separation points: ft. |
| 14. Exception Request: <input type="checkbox"/> Short Surface Csg <input checked="" type="checkbox"/> Excess Surface Csg <input type="checkbox"/> Single-string <input type="checkbox"/> Tubing <input type="checkbox"/> Area-wide ² | | | |
| 15. Alternate Program Request: <input type="checkbox"/> Drilling Fluid Program <input type="checkbox"/> Non-API Cement <input type="checkbox"/> Other: | | | |
| 16. Reason for this request: <input type="checkbox"/> Economic <input checked="" type="checkbox"/> Technical <input type="checkbox"/> Other Please explain: Incompetent Sand Section | | | |
| First-time requests for exception to tubing requirements outlined in 13(b)(4)(A) will be granted for a period of 180 days, 13(d)(2) | | | |
| 17. Is this a proposed injection or disposal well ³ ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 18. Is this a Minimum Separation well ⁴ ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 19. Are there any water wells within 1/4 mile of this proposed well location ⁵ ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, provide information requested below | | | |
| Type of water well: Depth: Distance: Direction: | | | |
| 20. Are there any INJECTION or DISPOSAL wells within 1/4 mile of the proposed well location ⁶ ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| If Yes, list names and depths of all formations permitted for INJECTION OR DISPOSAL within 1/4 miles of the well location ⁷ : | | | |
| 21. Have there been any blowouts within one mile of this well site ⁸ ? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, name operator(s), lease(s), and date(s) blowout(s) occurred: | | | |
| IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST CONTACT THE DISTRICT OFFICE IMMEDIATELY AND FOLLOW THE PROCEDURES SET OUT IN RULE 13(B)(2)(g)(iii) OR AS REQUIRED BY THE DISTRICT OFFICE. | | | |

22. Proposed Casing and Cementing Program (If more space is needed, use supplemental table on page 3)

| | Surface Casing/Single-String | | Intermediate Casing | | Production Casing | |
|----------------------|--|---|---------------------|--|-------------------|--|
| | Hole Size (in.), Casing O.D. (in.) | | | | | |
| | 12 1/4" | 9 5/8" | | | | |
| | Grade, Weight (lb/ft.) | J55 36# | | | | |
| | Setting Depth (ft.) | 1300' | | | | |
| | Multi-Stage Tool Depth (ft.) | | | | | |
| | Centralizers (no. & placement) | 10 Every 3rd ft. ft/shoe | | | | |
| LEAD/ILLER CEMENT | Cement Type | Class C | | | | |
| | # of Sacks and Yield (cu. ft./sk) | 229 2.69 | | | | |
| | Cement Additives | 10% static (see 1% Excess) 25#/sk Colloidal, 0% sodium metasilicate | | | | |
| | 24/72-Hr. Comp. Strength (psi) | 300 389 | | | | |
| | Height/TOC (ft.), % Excess | 0 100% | | | | |
| | Free Water Content ⁹ (mL water per 250 mL cement) | 2 mL | | | | |
| TAIL/CRITICAL CEMENT | Cement Type | Class C | | | | |
| | # of Sacks and Yield (cu. ft./sk) | 309 1.34 | | | | |
| | Cement Additives | 1% cacl | | | | |
| | 24/72-Hr. Comp. Strength (psi) | 1351 2260 | | | | |
| | Height/TOC (ft.), % Excess | 0 100% | | | | |
| | Free Water Content ⁹ (mL water per 250 mL cement) | 0.5 mL | | | | |

PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:

1. REQUESTS FOR EXCEPTIONS TO STATEWIDE RULE 13 SUBMITTED AFTER THE WELL HAS BEEN DRILLED OR COMPLETED MAY RESULT IN ENFORCEMENT ACTION AGAINST THE OPERATOR.
2. For area-wide exception requests, please provide additional information which clearly defines the area to be exempted. Area-wide approvals are NOT allowed for short surface casing applications (only approved on a well-by-well basis). Note: District Offices are not required to grant area-wide exceptions.
3. **Caution:** If this well is being drilled for injection or disposal purposes, a(n) injection/disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
4. A Minimum Separation Well, further defined in section 13(a)(2)(L), is a well in which hydraulic fracturing treatments will be conducted AND for which: the vertical distance between BUQW and the top of the formation to be fracture stimulated is less than 1000 ft. or for which the District Director has determined there to be inadequate separation between the BUQW and the top of the formation to be fracture stimulated.
5. Review applications 1-3 (Groundwater Database, Submitted Driller's Report, and Brackish Groundwater Database) at the following link to determine location(s) of water wells within ¼ mile of the proposed well: <http://wid.twdh.texas.gov/>.
6. Refer to the Railroad Commission of Texas Public GIS map viewer to locate injection and disposal wells within ¼ mile of the well(s) mentioned on this application: <http://www.rrc.state.tx.us/data/online/gis/index.php>.
7. Review W-14 or H-1a applications at (<http://www.rrc.state.tx.us/data/online/OGImagedRecordsQuery.php>) to determine permitted injection/disposal zones for wells within ¼ mile of the proposed well. Additionally, refer to Rule 13 Formation Tables provided on the RRC website for information regarding saltwater, H₂S, and other notable formation depths by county. (<http://www.rrc.state.tx.us/environmental/rule13/index.php>). Statewide Rule 13 may require cementing across these formations.
8. Blowout records can be found at the following URL: <http://www.rrc.state.tx.us/data/drilling/blowouts/index.php>.
9. Free water content for tail and critical cement may be provided based on lab data available at the time of submission. If additional lab analyses are required by the District Office, slurries must be tested according to API RP 10B-2, per 13(b)(1)(D)(III).
10. Notify District Office at least 8 hours prior to setting and cementing casing.
11. The alternative surface casing program authorized by this letter is subject to the condition that drilling fluid used while drilling to the base of usable quality groundwater have a salinity of 3000 ppm TDS or less and be conditioned to form a filter cake sufficient to prevent infiltration into the protected water while drilling with fluid having a salinity greater than 3000 ppm TDS below the base of usable quality groundwater to the approved surface casing depth. *The use of oil-based and emulsion drilling fluids are prohibited until casing is set and cemented across the base of usable quality groundwater.*
12. Note: The following attachments may be requested by the District Office:
 - a. Proposed wellbore diagram or cementing proposal
 - b. Lab reports containing compressive strength and free water data for Lead and/or Tail Slurry
 - c. Any other information that may be required by the District Office.
13. Please note that a copy of the approved application form must be kept on location during all phases of drilling and/or plugging operations. Once approved, changes CANNOT be made to the Proposed Casing and Cementing Program on the original application without additional approval from the District Office.

| OPERATOR CONTACT INFORMATION | | |
|--|------------------------------|--|
| Signature: <u>X <i>Carla Gomez</i></u> | Name: <u>Carla Gomez</u> | Title: <u>Senior Regulatory Specialist</u> |
| Date: <u>April 10, 2014</u> | Phone: <u>(405) 749-6263</u> | Fax: <u>(405) 749-6690</u> |
| Email Address (optional): <u>cmgomez@highmountop.com</u> | | |

| RRC District Office Action - FOR RRC USE ONLY | | Ref. No: |
|--|------------------------------|-----------------------------|
| TUBING EXCEPTION: <input type="checkbox"/> Approved <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied | By: | Date: |
| SURFACE CASING EXCEPTION: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied | By: <u><i>BARRY WOOD</i></u> | Date: <u><i>4/10/14</i></u> |
| DRILLING FLUID PROGRAM: <input type="checkbox"/> Approved <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied | By: | Date: |
| ALTERNATE CEMENT PROGRAM: <input type="checkbox"/> Approved <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied | By: | Date: |
| Remarks/Modifications: | | |

Prepared By: CG
3/19/2014

| Acreage Assigned to PSA Wells | | | |
|-------------------------------|---------------------------|------|---------------|
| Total Beginning Acreage | | | 331.75 |
| <u>RRC ID #</u> | | | |
| | University 55 11 (PSA) 1H | 45.6 | Permitted |
| | Less subtotal | 45.6 | |
| Total Ending Acreage..... | | | <u>286.15</u> |

Proration Acreage will be reassigned on completion of each well.

W-1 Attachment "B"

Prepared By: CG
3/19/2014

University 55 10
Ozona, NE. (Canyon 7520) Field
Schleicher County, Texas

| Acreage Assigned to PSA Wells | | | |
|-------------------------------|---------------------------|-------|--------------|
| Total Beginning Acreage | | | 663.4 |
| <u>RRC ID #</u> | | | |
| | University 55 11 (PSA) 1H | 114.4 | Permitted |
| | Less subtotal | 114.4 | |
| Total Ending Acreage..... | | | <u>549.0</u> |

| Assignable Acreage | | | |
|--------------------|-----------------------------|-----------------------|---------------|
| Beginning | | | 663.4 |
| <u>Well Number</u> | <u>RRC ID</u> | <u>Assigned Acres</u> | |
| 1 | 258565 | 160 | |
| 2 | 17443 | 40 | |
| 3 | 262676 | 160 | |
| 5H | 17751 | 303.4 | |
| | Total Assignable Acres | 663.4 | |
| | + PSA Acreage | <u>114.4</u> | |
| | Less Total Assigned Acreage | 777.8 | |
| Ending | | | <u>-114.4</u> |

Proration Acreage will be reassigned on completion of each well.

PRODUCTION SHARING
AGREEMENT
CODE SHEET

Form PSA-12

(Rev. 09/2011)

READ INSTRUCTIONS ON BACK

| | | |
|---|---------------------------------|---|
| 1. FIELD NAME(S) Ozona, NE. (Canyon 7520) | 2. LEASE / ID NO. (if assigned) | 3. RRC District No. 7C |
| 4. OPERATOR P-5 NAME HighMount Expl & Prod Texas LLC | 5. OPERATOR P-5 NO. 385842 | 6. WELL NO. 1H |
| 7. SHARING AGREEMENT NAME University 55 11 (PSA) | 8. API NO. | 9. PURPOSE OF FILING <input checked="" type="checkbox"/> Drilling Permit Application (Form W-1) <input type="checkbox"/> Completion Report |
| 10. COUNTY Schleicher | 11. TOTAL ACRES 995.15 | |

Description of Individual Tracts Contained Within the Production Sharing Agreement

| TRACT/PLAT IDENTIFIER | TRACT NAME | ACRES IN TRACT | ACREAGE ALLOCATED TO WELL | INDICATE UNDIVIDED INTERESTS | | |
|--------------------------|------------------|-------------------|---------------------------------|------------------------------|-----------------------|----------------|
| | | | | UNLEASED | NOT- PARTICIPATING | NON- POOLED |
| 1 | University 55 11 | 331.75 | 45.6 | | | |
| 2 | University 55 10 | 663.40 | 114.4 | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

REMARKS:

This well is being proposed on two tracts. These two properties have a combined total of 995.15 acres of which 160 will be assigned to this well. 100% has signed the consolidated (PSA) agreement.

CERTIFICATION: I declare under penalties prescribed pursuant to §91.143, Tex. Nat. Res. Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Signature Carla GomezName (type/print) Carla GomezTitle Senior Regulatory SpecialistDate: 4/10/2014Phone No. (405) 749-5263Email Address (Optional - See instructions for important information): cmgomez@highmountep.com

OPERATOR: HighMount EXPLORATION & PRODUCTION TEXAS LLC

LEASE NAME & WELL No: University 55 11 (PSA) 1H

GROUND ELEV.: 2541'

NAD 27 TX CENTRAL ZONE X=1810055 Y=477473 LAT.: 30.978124 LONG.: -100.939464

NAD 83 TX CENTRAL ZONE LAT.: 30.978295 LONG.: -100.939848

SCHLEICHER COUNTY, TEXAS

SECTION 11, BLOCK 55, UNIVERSITY LAND

SL DESCRIPTION: 2719' FNL & 640' FEL SECTION 11

PP DESCRIPTION: 2700' FNL & 350' FEL SECTION 11

FTP DESCRIPTION: 2130' FNL & 350' FEL SECTION 11

LTP DESCRIPTION: 100' FNL & 350' FEL SECTION 10

BH DESCRIPTION: 60' FNL & 350' FEL SECTION 10

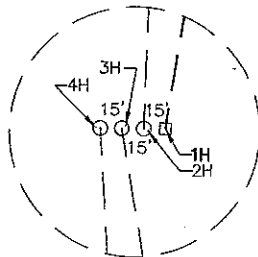
SL DESCRIPTION: 2719' FNL & 640' FEL LEASE LINE

PP DESCRIPTION: 2700' FNL & 350' FEL LEASE LINE

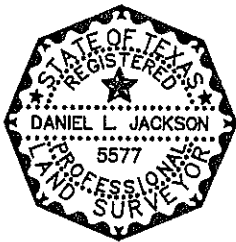
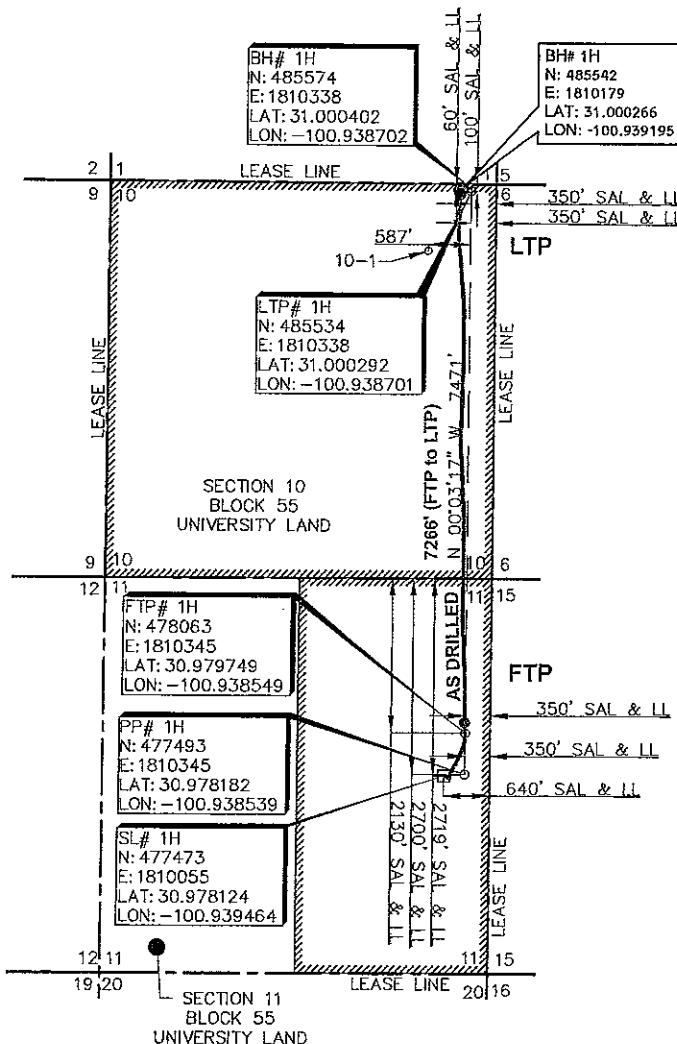
FTP DESCRIPTION: 2130' FNL & 350' FEL LEASE LINE

LTP DESCRIPTION: 100' FNL & 350' FEL LEASE LINE

BH DESCRIPTION: 60' FNL & 350' FEL LEASE LINE



HighMount E. & P. TX. LLC



ALL BEARINGS AND DISTANCES CONTAINED
HEREIN ARE GRID, BASED ON THE TEXAS STATE
PLANE COORDINATES SYSTEM, NAD 27, CENTRAL
ZONE (4203), FROM GPS OBSERVATION.

I hereby affirm that the surface well location represented by this plat
was staked under my direct supervision during the month of
February 2013 and is true and correct to the best of my knowledge
and belief. This plat is strictly for the use of HighMount Exploration &
Production Texas, LLC

Daniel L. Jackson
Daniel L. Jackson
Registered Professional Land Surveyor No. 5577
Firm Registration License # 10129300
March 5, 2014

AMENDED TO SHOW LEASE IN
SECTION 11: MARCH 20, 2014

HighMount E&P Texas, LLC.
Certification of Revisions

Robin Downing
08/21/2014

Date

Plat of Gas Well Location
for the
HighMount Exploration & Production Texas, LLC
University 55 11 (PSA) 1H

DISTANCE & DIRECTION ±22 MILES
NORTHWEST OF ELDORADO

PLS
PIPELINE LAND
SERVICES, INC.
1700 Shady Oaks Drive Suite 108
Denton, Texas 76205
Office: (940) 808-1191
Fax: (940) 808-1195

NOTE:
LEGEND IS TYPICAL. NOT ALL ITEMS IN LEGEND
APPEAR IN DRAWING.

LEGEND

— PROPOSED GAS WELL
— SURVEY LINE
— LEASE/UNIT BOUNDARY
□ = SURFACE LOCATION
○ = DRY HOLE
⊗ = INJECTION WELL
● = PLUGGED OIL WELL
● = OIL WELL
* = GAS WELL

LL = LEASE LINE
SAL = APPROX. SURVEY LINE
SL = SURFACE LOCATION
PP = PENETRATION POINT
FTP = FIRST TAKE POINT
LTP = LAST TAKE POINT
BH = BOTTOM HOLE

0 2000 4000 6000



SCALE 1"=2000'
PLEASE REFER TO BAR SCALE. DRAWING
MAY HAVE BEEN REDUCED OR ENLARGED.

JOB #
March 5, 2014