

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Tracking No.: 46573

Status: Work in Progress

This facsimile W-2 was generated electronically
from data submitted to the RRC.

API No. 42- 461-37662

7. RRC District No.
7C

Oil Well Potential Test, Completion or Recompletion Report, and Log

8. RRC Lease No.

| | | | | |
|---|--|---|--|---|
| 1. FIELD NAME (as per RRC Records or Wildcat) SHEEP MOUNTAIN (CONSOLIDATED) | | 2. LEASE NAME UNIVERSITY 4-11 | | 9. Well No. 1 |
| 3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) OPAL RESOURCES OPERATING CO.,LLC | | RRC Operator No. 624735 | | 10. County of well site UPTON |
| 4. ADDRESS 952 ECHO LANE STE 200 HOUSTON, TX 77024-0000 | | | | 11. Purpose of filing Initial Potential <input type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (Explain in remarks) <input checked="" type="checkbox"/> |
| 5. If Operator has changed within last 60 days, name former operator | | | | |
| 6a. Location (Section, Block, and Survey) 11 , 4 , UNIVERSITY LAND , A-U47 | | 6b. Distance and direction to nearest town in this county. 4 MILES SE DIRECTION FROM RANKIN | | |
| 12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR N/A | | | GAS ID or OIL LEASE # | Oil-O Gas-G |
| 13. Type of electric or other log run Neutron logs | | | 14. Completion or recompletion date 05/04/2012 | |

SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

| | | | | | |
|--|-------------------------|--|--------------|-----------------------------|--------------------------------|
| 15. Date of test | 16. No. of hours tested | 17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump) | | | 18. Choke size |
| 19. Production during Test Period | Oil - BBLS | Gas - MCF | Water - BBLS | Gas - Oil Ratio 0 | Flowing Tubing Pressure PSI |
| 20. Calculated 24-Hour Rate | Oil - BBLS | Gas - MCF | Water - BBLS | Oil Gravity-API-60° | Casing Pressure PSI |
| 21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | 22. Oil produced prior to test (New & Reworked wells) | | 23. Injection Gas-Oil Ratio | |
| REMARKS: FILED AS WELL RECORD ONLY. WELL NOT COMPLETED YET, AS DIFFERENT ZONES ARE BEING TESTED. | | | | | |
| | | | | | |
| | | | | | |

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTERS CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION

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, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.

OPAL RESOURCES OPERATING CO.,LLC

Type or printed name of operator's representative

(713) 647-7300 EXT 213

Telephone: Area Code

Number

06/08/2012

Month Day Year

Regulatory Production Coordinator

Title of Person

Maria Elsbury

Signature

| SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest) | | | | | | | |
|---|---|--|--|------------------------------|-----------|---------------|---------------------|
| 24. Type of Completion New Well <input checked="" type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other <input type="checkbox"/> | | | 25. Permit to Drill, Plug Back or Deepen DATE 04/02/2012 PERMIT NO. 724707 Rule 37 Exception CASE NO. | | | | |
| 26. Notice of Intention to Drill this well was filed in Name of OPAL RESOURCES OPERATING CO.,LLC | | | Water Injection Permit PERMIT NO. Salt Water Disposal Permit PERMIT NO. Other PERMIT NO. | | | | |
| 27. Number of producing wells on this lease in this field (reservoir) including this well 1 | | 28. Total number of acres in this lease 655.3 | | | | | |
| 29. Date Plug Back, Deepening, Workover or Drilling Operations: Commenced 01/24/2012 Completed 05/04/2012 | 30. Distance to nearest well, Same Lease & Reservoir 0.0 | | | | | | |
| 31. Location of well, relative to nearest lease boundaries 555.4 Feet From South East Line of the UNIVERSITY 4-11 467.0 Feet from Lease | | | | | | | |
| 32. Elevation (DF, RKB, RT, OR ETC.) 2749 GL | | 33. Was directional survey made other than inclination (Form W-12)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | |
| 34. Top of Pay 6600 | 35. Total Depth 9949 | 36. P. B. Depth 9822 | 37. Surface Casing Determined by Field Rules <input checked="" type="checkbox"/> Recommendation of T.D.W.R. <input checked="" type="checkbox"/> Railroad Commission (Special) <input checked="" type="checkbox"/> Dt. of Letter 11/17/2011 Dt. of Letter 11/17/2011 | | | | |
| 38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | |
| 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR N/A | | GAS ID or OIL LEASE # | Oil-G Gas-G Well # | | | | |
| 40. Intervals Drilled by: Rotary Tools X Cable Tools | 41. Name of Drilling Contractor VIKING | | 42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| 43. CASING RECORD (Report All Strings Set in Well) | | | | | | | |
| CASING SIZE | WT #/FT. | DEPTH SET | MULTISTAGE TOOL DEPTH | TYPE & AMOUNT CEMENT (sacks) | HOLE SIZE | TOP OF CEMENT | SLURRY VOL. cu. ft. |
| 8 5/8 | 24.0 | 2046 | | CLASS C 950 | 12 1/4 | SURFACE | 1653.0 |
| 5 1/2 | 20.0 | 6006 | | CLASS C 1000 | 7 7/8 | 3120 | 2337.0 |
| 5 1/2 | 20.0 | 9901 | | CLASS H 900 | 7 7/8 | 6000 | 1035.0 |

| 44. LINER RECORD | | | | |
|------------------|-----|--------|--------------|--------|
| Size | Top | Bottom | Sacks Cement | Screen |
| N/A | | | | |

| 45. TUBING RECORD | | | 46. Producing Interval (this completion) Indicate depth of perforation or open hole | |
|-------------------|-----------|------------|---|------|
| Size | Depth Set | Packer Set | From | To |
| 2 7/8 | 7829 | 4229 | 7820 | 9685 |
| | | | From | To |
| | | | From | To |
| | | | From | To |

| 47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | |
|--|--|--|
| Depth Interval | Amount and Kind of Material Used | |
| 7820.0 | 9685.0 STIMULATED IN 5 STAGES WITH 7500 GALLONS 15% HCL AND 751,205 LBS OF SAND | |
| | | |
| | | |

| 48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS) | | | |
|---|--------|------------|--------|
| Formations | Depth | Formations | Depth |
| CLEARFORK | 5871.0 | STRAWN | 9357.0 |
| SPRABERRY | 6489.0 | BARNETT | 9698.0 |
| WOLFCAMP | 7851.0 | | |
| REMARKS: N/A | | | |
| | | | |
| | | | |

42-461-37662

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

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

| | | | |
|--|---------------------|--------------------------|------------------------|
| 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 |
| Opal Resources Operating Co., LLC | 624735 | 7C | Upton |
| 5. Field Name (Wildcat or Exactly as Shown on RRC Records) | 6. API No. | 7. Drilling Permit No. | |
| Sheep Mountain (Consolidated) | 42-461-37662 | 724707 | |
| 8. Lease Name | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well Number |
| University Lands 4-11 | | | 1 |

| CASING CEMENTING DATA: | | SURFACE CASING | INTERMEDIATE CASING | PRODUCTION CASING | | MULTI-STAGE CEMENTING PROCESS | |
|---|--------------------------------------|----------------|---------------------|-------------------|---------------------------|-------------------------------|------|
| | | | | SINGLE STRING | MULTIPLE PARALLEL STRINGS | TOOL | SHOE |
| 12. Cementing Date | | 1/26/2012 | | | | | |
| 13. *Drilled Hole Size | | 12.25 | | | | | |
| *Ext. % Wash or Hole Enlargement | | 100% | | | | | |
| 14. Size of Casing (in. O.D.) | | 8-5/8 | | | | | |
| 15. Top of Liner (ft) | | - | | | | | |
| 16. Setting Depth (ft) | | 2046 | | | | | |
| 17. Number of Centralizers Used | | 20 | | | | | |
| 18. Hrs. Waiting on Cement Before Drill-Out | | 30 | | | | | |
| 1st Slurry | 19. API Cement Used: No. of Sacks > | 950 | | | | | |
| | Class > | "C" | | | | | |
| | Additives > | Remarks 1 | | | | | |
| 2nd Slurry | No. of Sacks > | | | | | | |
| | Class > | | | | | | |
| | Additives > | | | | | | |
| 3rd Slurry | No. of Sacks > | | | | | | |
| | Class > | | | | | | |
| | Additives > | | | | | | |
| 1st | 20. Slurry Pumped: Volume (cu.ft.) > | 1653 | | | | | |
| | Height (ft) > | 4005 | | | | | |
| 2nd | Volume (cu.ft.) > | | | | | | |
| | Height (ft) > | | | | | | |
| 3rd | Volume (cu.ft.) > | | | | | | |
| | Height (ft) > | | | | | | |
| | Volume (cu.ft.) > | 1653 | | | | | |
| | Height (ft) > | 4005 | | | | | |
| 21. Was Cement Circulated to Ground Surface (or Bottom of Celler) Outside Casing? | | YES | | | | | |
| 22. Remarks 1 4% Gel + 2% CaCl2 + 1/4#/Sk Celloflake Circulated 32sks of cement to earth pit!! 10bbls slurry! | | | | | | | |

42-461-37662

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

Form W-15
Cementing Report
Rev. 4/1/83
HLBRTN1096

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

| | | | |
|---|--------------------------------------|-----------------------------------|---|
| 1. Operator's Name (As Shown on Form P-5, Organization Report) Opal Resources Operating Co. LLC | 2. RRC Operator No. 624735 | 3. RRC District No. 7C | 4. County of Well Site Upton |
| 5. Field Name (Wildcat or Exactly as Shown on RRC Records) Sheep Mountain (Consolidated) | | 6. API No. 42-461-37662 | 7. Drilling Permit No. 724707 |
| 8. Lease Name Univ. 4-11 | 9. Rule 37 Case No. | 10. Oil Lease/Gas ID No. | 11. Well Number 1 |

| CASING CEMENTING DATA: | | SURFACE CASING | INTERMEDIATE CASING | PRODUCTION CASING | | MULTI-STAGE CEMENTING PROCESS | |
|--|--------------------------------------|----------------|---------------------|-------------------|---------------------------|-------------------------------|------------|
| | | | | SINGLE STRING | MULTIPLE PARALLEL STRINGS | TOOL | SHOE |
| 12. Cementing Date | | | | | | 2/15/2012 | 2/14/2012 |
| 13. *Drilled Hole Size | | | | | | 7 7/8 | 7 7/8 |
| *Ext. % Wash or Hole Enlargement | | | | | | 100% | 5 |
| 14. Size of Casing (in. O.D.) | | | | | | 5 1/2 | 5 1/2 |
| 15. Top of Liner (ft) | | | | | | - | - |
| 16. Setting Depth (ft) | | | | | | 6006 | 9901 |
| 17. Number of Centralizers Used | | | | | | 5 | 40 |
| 18. Hrs. Waiting on Cement Before Drill-Out | | | | | | 72 | 72 |
| 1st Slurry | 19. API Cement Used: No. of Sacks > | | | | | 900 | 900 |
| | Class > | | | | | 50C50Poz | H |
| | Additives > | | | | | Remarks #2 | Remarks #1 |
| 2nd Slurry | No. of Sacks > | | | | | 100 | |
| | Class > | | | | | C | |
| | Additives > | | | | | | |
| 3rd Slurry | No. of Sacks > | | | | | | |
| | Class > | | | | | | |
| | Additives > | | | | | | |
| 1st | 20. Slurry Pumped: Volume (cu.ft.) > | | | | | 2205 | 1035 |
| | Height (ft) > | | | | | 12727 | 5974 |
| 2nd | Volume (cu.ft.) > | | | | | 132 | |
| | Height (ft) > | | | | | 778 | |
| 3rd | Volume (cu.ft.) > | | | | | | |
| | Height (ft) > | | | | | | |
| | Volume (cu.ft.) > | | | | | 2337 | 1035 |
| | Height (ft) > | | | | | 13505 | 5974 |
| 21. Was Cement Circulated to Ground Surface (or Bottom of Cellar) Outside Casing? | | | | | | NO | No |
| 22. Remarks 1 1.2% C-47 + .05% C-51 2 10% Gel + 5% Salt + 1/4#/sk Celloflake + 3#/sk Kolseal | | | | | | | |

| 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. (lbs/gal) | | | | | | | | |
| 31. Type Cement | | | | | | | | |

CEMENTERS CERTIFICATE: I declare under penalties prescribed 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.

Michael Fuentes – Service Supervisor
Name and Title of Cementer's Representative

O-TEX PUMPING SERVICES
Cementing Company

Michael Fuentes
Signature

2611 East I-20

Midland, Texas 79706

432-686-8559

2/15/2012

Address 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.

Gerald B. Long
Typed or Printed Name of Operator's Representative

SR. V.P. Operations or Dir.
Title

G. Long
Signature

952 Echo Lane, Ste 200, Houston, TX 77024

713-647-1700 x213

6 7 12

Address City State Zip Code

Tel: Area Code Number

Date: Mo. Day Yr.

Instruction 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 rules;
- * 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 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 Commission.

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 nondeviated 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 applications, 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 12 (b) (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 feet 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 1000 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.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)
FOD1296

42-461-37662

| | | |
|--|--|--|
| INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report) | | 6. RRC District <u>7C</u> |
| 1. FIELD NAME (as per RRC Records or Wildcat) <u>Sheep Mountain (Consolidated)</u> | | 7. RRC Lease Number. (Oil completions only) |
| 2. LEASE NAME <u>UNIVERSITY 4-11 #1</u> | | 8. Well Number <u>1</u> |
| 3. OPERATOR OPAL RESOURCES OPERATING, LLC | | 9. RRC Identification Number (Gas completions only) |
| 4. ADDRESS 952 ECHO LANE, SUITE 200 HOUSTON, TX 77024 | | 10. County UPTON |
| 5. LOCATION (Section, Block, and Survey) <u>Section 11, Block 4, Survey University LAND</u> | | |

RECORD OF INCLINATION

| *11. Measured Depth (feet) | 12. Course Length (Hundreds of feet) | *13. Angle of Inclination (Degrees) | 14. Displacement per Hundred Feet (Sine of Angle x100) | 15. Course Displacement (feet) | 16. Accumulative Displacement (feet) |
|----------------------------|--------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------------|
| 309 | 309 | 1.00 | 1.75 | 5.40 | 5.40 |
| 559 | 250 | 0.50 | 0.87 | 2.17 | 7.57 |
| 977 | 418 | 1.00 | 1.75 | 7.31 | 14.88 |
| 1227 | 250 | 0.50 | 0.87 | 2.17 | 17.05 |
| 1751 | 524 | 1.00 | 1.75 | 9.17 | 26.22 |
| 1877 | 126 | 1.00 | 1.75 | 2.20 | 28.42 |
| 1973 | 96 | 1.00 | 1.75 | 1.68 | 30.10 |
| 2290 | 317 | 0.50 | 0.87 | 2.75 | 32.85 |
| 2560 | 270 | 1.25 | 2.18 | 5.88 | 38.73 |
| 2841 | 281 | 0.50 | 0.87 | 2.44 | 41.17 |
| 4129 | 1,288 | 1.00 | 1.75 | 22.54 | 63.71 |
| 4479 | 350 | 0.75 | 1.31 | 4.58 | 68.29 |
| 4622 | 143 | 0.25 | 0.44 | 0.62 | 68.91 |
| 4996 | 374 | 0.75 | 1.31 | 4.89 | 73.80 |
| 5355 | 359 | 1.25 | 2.18 | 7.82 | 81.62 |

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? yes

18. Accumulative total displacement of well bore at total depth of 9949 feet = 238.42 feet.

*19. Inclination measurements were made in - Tubing Casing Open hole Drill Pipe

20. Distance from surface location of well to the nearest lease line..... 467 feet.

21. Minimum distance to lease line as prescribed by field rules..... 467 feet.

22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? NO

(If the answer to the above question is "yes," attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

[Signature]
Signature of Authorized Representative
Henry McElroy
Name of Person and Title (type or print)
Viking Drilling, LLC
Name of Company
Telephone: 432-550-0100
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

[Signature]
Signature of Authorized Representative
Gerald B Long, Sr
Name of Person and Title (type or print)
Opal Resources Operating Co., LLC
Operator
Telephone: 713-647-7300 x 213
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

* Designates items certified by company that conducted the inclination surveys.

42-461-37662

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

SEE REVERSE SIDE

SECTION I. IDENTIFICATION

| | | |
|---|-------------------------------|-------------------------------|
| Operator Name: OPAL RESOURCES OPERATING CO., LLC | District No. 7C | Completion Date: 3-12-2012 |
| Field Name SHEEP MOUNTAIN CONSOLIDATED | Drilling Permit No. 724707 | |
| Lease Name UNIVERSITY 4-11 | Lease/ID No. | Well No. 1 |
| County UPTON | API No. 42-461-37662 | |

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

A. BASIC ELECTRIC LOG NOT RUN

B. BASIC ELECTRIC LOG RUN. (Select one)

- X 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). _____

R. Maria Elsbury
Signature

R. MARIA ELSBURY
Name (print)

REGULATORY & PRODUCTION COORD.
Title

(713) 713-647-7300 x213
Phone Date 6-7-12

-FOR RAILROAD COMMISSION USE ONLY-

42-461-37662



| | | |
|---|---|---|
| FILE NO: MD9432 | COMPANY WELL | OPAL RESOURCES OPERATING CO., LLC UNIVERSITY 4-11 #1 |
| API NO: 42-461-37662 | FIELD COUNTY | SPRABERRY (TREND AREA) UPTON STATE TEXAS |
| Ver. 3.87 FINAL PRINT | LOCATION: 555.4' FSL & 467' FEL SEC. 11, BLK. 4 UNIVERSITY LAND SURVEY A-U47 | OTHER SERVICES ZDL/CN/DSL STAR/CBIL |
| PERMANENT DATUM LOG MEASURED FROM DRILL. MEAS. FROM | GL _____ ELEVATION 2749.3 FT KB _____ 14 FT ABOVE P.D. KB _____ | ELEVATIONS: KB 2763.3 FT DF 2762.3 FT GL 2749.3 FT |

| | | | |
|------------------------|---------------|------------|-------------|
| DATE | 12-FEB-2012 | | |
| RUN | TRIP | 1 | 1 |
| SERVICE ORDER | 622410 | | |
| DEPTH DRILLER | 9949.7 FT | | |
| DEPTH LOGGER | 9922 FT | | |
| BOTTOM LOGGED INTERVAL | 9911 FT | | |
| TOP LOGGED INTERVAL | 4000 FT | | |
| CASING DRILLER | 8.625 IN | @2031 FT | @ |
| CASING LOGGER | 2048 FT | | |
| BIT SIZE | 7.875 IN | | |
| TYPE OF FLUID IN HOLE | FW/GEL | | |
| DENSITY | VISCOSITY | 9 LB/G | 34 S |
| PH | FLUID LOSS | 11 | 10 C3 |
| SOURCE OF SAMPLE | CIRC TANK | | |
| RM AT MEAS. TEMP. | 0.09 OHMM | @71 DEGF | @ |
| RMF AT MEAS. TEMP. | 0.068 OHMM | @71 DEGF | @ |
| RMC AT MEAS. TEMP. | 0.113 OHMM | @71 DEGF | @ |
| SOURCE OF RMF | RMC | CALCULATED | CALCULATED |
| RM AT BHT | 0.045 OHMM | @150 DEGR | @ |
| TIME SINCE CIRCULATION | 7 HRS | | |
| MAX. RECORDED TEMP. | 150 DEGF | | |
| EQUIP. NO. | LOCATION | HL-6734 | MIDLAND, TX |
| RECORDED BY | B.R. BROWN | | |
| WITNESSED BY | DAN CREIGHTON | | |

APPLICATION FOR ALTERNATE SURFACE CASING PROGRAM
Statewide Rule 13(b)(2)(g)
RRC District 8/8A

7/03

| | | |
|---|---|-------------------------|
| Operator's Name and Address: Opal Resources Operating Co., LLC 952 Echo Lane, Suite 200 Houston, TX 77024 | Lease: UNIVERSITY 4-11 | Well No.: 1 |
| | Field: BLOCK 4 (Devonian) | |
| | Drilling Permit No.: 724707 | |
| | County: UPTON | RRC District: 7C |
| | Location: Block 4, Section 11, University Land A-U47 | |
| Proposed TD: 13,000 | | |

Distance and Direction from nearest town: **4.0 miles SE of Rankin, TX**

Proposed Injection or disposal well? Yes No NOTE: Special conditions may apply. See PROVISIONS below.

Usable-quality water strata (as determined by TCEQ "Waterboard" letter) occur to a depth of **620** ft, and from _____ ft to _____ ft, and from _____ ft to _____ ft.

Note: Please submit copy of TCEQ "Waterboard" letter with this request. Request cannot be processed without this information.

Distance and direction of nearest water well (within 1/4 mile): **None**
 Type of water well (domestic, public, irrigation, stock, etc.): _____ Depth: _____

Proposed Casing and Cementing Program

Note: You may attach a wellbore diagram or cementing proposal to this application.

This application is for (check applicable boxes): Short surface casing Excess surface casing No surface casing

The proposed surface casing depth: **2000'** Multi-Stage tool depth (if applicable): **None**

Intermediate or production casing depth: **12,250'** Multi-Stage tool depth (if applicable): **6,000'**

Centralizer number and placement: **Approximately every 100' to surface**

Does the cement across the critical zone have 72-hr compressive strength of at least 1,200 psi? Yes No

Does the filler cement have 24-hr compressive strength of at least 250 psi? Yes No

Do you plan on circulating cement to the surface on all casing strings protecting usable-quality water? Yes No

Reason for this request: **Prevention of waste; better cement job across Sand Andres to protect production casing from corrosion**

PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:

1. Caution: if this well is being drilled for injection or disposal purposes, an injection or disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
2. Centralizers must be used through all usable-quality waters. Refer to Rule 13(b)(2)(F).
3. Notify District Office 8 hours prior to setting casing.

Signature: *Gerald B. Long* Print Name: **Gerald B. Long** Date: **11-17-11** Phone: **713.647.7300**

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST IMMEDIATELY CONTACT THE DISTRICT 8/8A OFFICE AT 432-684-5581, AND FOLLOW THE PROCEDURES AS SET OUT IN RULE 13(B)(2)(g)(III) OR AS RECOMMENDED BY THE DISTRICT OFFICE.

RRC Use Only ▶

| | |
|--|---|
| RRC District Office Action: | |
| <input checked="" type="checkbox"/> Approved | <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied |
| By: <u><i>Danny Wood</i></u> | Date: 11/17/11 |
| Remarks/Modifications: _____ | |

42-461-37662
**CERTIFICATE OF COMPLIANCE
 AND TRANSPORTATION AUTHORITY**

P-4
 5/02—WWW-1

READ INSTRUCTIONS ON BACK

| | |
|---|--|
| 1. Field name exactly as shown on proration schedule SHEEP MOUNTAIN (CONSOLIDATED) | 2. Lease name as shown on proration schedule UNIVERSITY 4-11 |
| 3. Current operator name exactly as shown on P-5 Organization Report OPAL RESOURCES OPERATING CO. LLC | 4. Operator P-5 no. 624735 |
| 8. Operator address including city, state, and zip code 952 ECHO LANE, SUITE 200 HOUSTON, TX 77024 | 5. Oil Lse/Gas ID no. 6. County UPTON 7. RRC district 7C |
| 9. Well no(s) (see instruction E) 1 | |
| 10. Classification <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A) | |
| 11. Effective Date 4-11-12 | |

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: operator oil or condensate gatherer gas gatherer gas purchaser gas purchaser system code

field name from: _____
 lease name from: _____

OR

b. New RRC Number for: oil lease gas well other well (specify) _____

Due to: new completion or recompletion reclass oil to gas reclass gas to oil
 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 <i>(Attach an additional sheet in same format if more space is needed)</i> | Purchaser's RRC Assigned System Code | Percent of Take | Full-well stream |
|----------|-----------|--|--------------------------------------|-----------------|------------------|
| X | | ATLAS PIPELINE WESTTEX | 036584 | 100 | X |
| | X | ATLAS PIPELINE WESTTEX | 036584 | 100 | X |
| | | | | | |
| | | | | | |
| | | | | | |

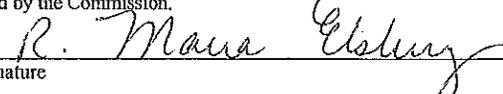
14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

| Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First <i>(Attach an additional sheet in same format if more space is needed)</i> | Percent of Take | RRC USE ONLY |
|--|-----------------|--|
| LPC CRUDE OIL II, LLC | 20 | Reviewer's initials: _____ Approval date: _____ |
| PLAINS MARKETING LP | 80 | |

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 | Signature |
| Name (print) | <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G) |
| Title | 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.

| | |
|--|---|
| Name (print) R. MARIA ELSBURY | Signature  |
| Title REGULATORY & PRODUCTION COORD. | <input checked="" type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G) |
| E-mail Address (optional) maria.elsbury@opalresources.com | Date 4-18-12 Phone with area code _____ |

**Groundwater
Advisory Unit**

GROUNDWATER PROTECTION DETERMINATION

Date **November 17, 2011**

GAU File No.: SC- **8893**

API Number **46137662**

RRC Lease No. **000000**

Attention: **GERALD B. LONG**

SC_624735_46137662_000000_8893.pdf

**OPAL RESOURCE OPERATING CO LLC
952 ECHO LANE
STE 200
HOUSTON TX 77024**

P-5# 624735

--Measured--

467 ft FEL

555 ft FSL

MRL: SURVEY

Digital Map Location:
X-coord/Long **1824456**
Y-coord/Lat **10399423**
Datum **83** Zone **C**

County **UPTON**

Lease & Well No. **UNIVERSITY 4-11 #1**

Purpose **ND**

Location **SUR-UL, A-U47, BLK-4, SEC-11, -- [TD=13000], [RRC 7C],**

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission 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 600 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).**

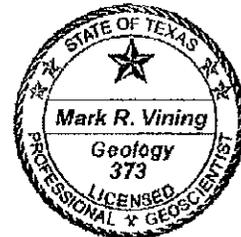
If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Mark R. Vining
Digitally signed by Mark Vining
DN: c=US, st=TEXAS, l=Austin, o=Railroad
Commission of Texas, cn=Mark Vining,
email=mark.vining@rrc.state.tx.us
Date: 2011.11.17 14:40:54 -06'00'

Mark R. Vining, P.G.

GEOLOGIST SEAL



**Geologist, Groundwater Advisory Unit
Oil & Gas Division**

The seal appearing on this document was authorized by *Mark R. Vining* on 11/17/2011
Note: Alteration of this electronic document will invalidate the digital signature.

Certified Proration Plat
UNIVERSITY 4-11 #1
API 42-461-37662



0 500 1,000 Feet
SCALE: 1" = 1,000 FEET

655.3 ACRES

A- U48
UL
BLK 4
SEC 12

A- U47
UL
BLK 4
SEC 11

A- U4
UL
BLK 4
SEC 10

163.83 ACRES

UNIVERSITY 4-11-1

ELEV. 2749.3'

| | |
|-------------------|------------------|
| NAD 83 | NAD 27 |
| X: 10398422.6' | X: 1527808.99' |
| Y: 1824156.34' | Y: 556846.62' |
| LAT: 31.189123 | LAT: 31.188972 |
| LONG: -101.844285 | LONG: -101.84388 |

ED GATHERING LINE



GAS TRANSMISSION

S. 17° 00' 00" E
4200'

A- U49
UL
BLK 4
SEC 13

A- U50
UL
BLK 4
SEC 14

A- U51
UL
BLK 4
SEC 15

I certify this to be true and accurate to
The best of my knowledge

[Signature] 6/7/12
[Signature]