

RAILROAD COMMISSION OF TEXAS

Tracking No.: 46573

Oil and Gas Division

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

8. RRC Lease No.

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

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		GAS ID or OIL LEASE #	Oil-O Gas-G	Well #
N/A				
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

06/08/2012

Telephone: Area Code Number 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 Rule 37 Exception PERMIT NO. 724707 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 Line and 467.0 Feet from East Line of the UNIVERSITY 4-11 Lease																			
32. Elevation (DF, RKB, RT, GR 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. 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										GAS ID or OIL LEASE #		Oil-G Gas-G		Well #					
40. Intervals Drilled by: Rotary Tools <input checked="" type="checkbox"/> Cable Tools <input type="checkbox"/>										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 7820				To 9685									
2 7/8		7829		4229		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																			

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

42-461-37662

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)		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 Casing) Outside Casing?		YES					
22. Remarks							
1 4% Gel + 2% CaCl2 + 1/4#/Sk Celloflake							
Circulated 32sks of cement to earth pit!! 10bbls slurry!							

OVER →

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
1. Cementing Date								
2. Size of Hole or Pipe Plugged (in)								
3. Depth to Bottom of Tubing or Drill Pipe (ft)								
4. Sacks of Cement Used (each plug)								
5. Slurry Volume Pumped (cu.ft.)								
6. Calculated Top of Plug (ft)								
7. Measured Top of Plug, If Tagged (ft)								
8. Slurry Wt. (lbs/gal)								
9. 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.

Robert J. Vega/Service Supervisor
Name and Title of Cementer's Representative

O-TEX PUMPING SERVICES
Cementing Company

Signature

611 East I-20
Address City State Zip Code

Midland, Texas 79706

432-686-8559
Tel: Area Code Number

1/26/2012
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

S.R. V.P. Operations & Drilling
Title

Signature

952 Echo Lane, Ste 200, Houston, TX 77024
Address City State Zip Code

713-647-7300 x213
Tel: Area Code Number

16 7 12
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), 3 (Casing, Cementing, Drilling, and Completion, and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

1. 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.

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

3. 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.

4. 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.

5. 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.

6. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 12 (b) (3) and (4).

7. 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.

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)	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
Univ. 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						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 Celler) 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							

OVER →

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
Address City State Zip Code

432-686-8559
Tel: Area Code Number

2/15/2012
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

[Signature]
Signature

952 Echo Lane, Ste 200, Houston, TX 77024
Address City State Zip Code

713-647-1700 x213
Tel: Area Code Number

6 7 12
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>	2. LEASE NAME <u>UNIVERSITY 4-11 #1</u>	7. RRC Lease Number. (Oil completions only)
3. OPERATOR OPAL RESOURCES OPERATING, LLC		8. Well Number <u>1</u>
4. ADDRESS 952 ECHO LANE, SUITE 200 HOUSTON, TX 77024		9. RRC Identification Number (Gas completions only)
5. LOCATION (Section, Block, and Survey) <u>Section 11, Block 4, Survey University LAND</u>		10. County UPTON

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 of Authorized Representative

Henry McElroy Vice President

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 of Authorized Representative

Gerald B Long, Sr VP Operations & Drilling

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.

RECORD OF INCLINATION (Continued from reverse side)

*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)
5721	366	1.50	2.62	9.58	91.20
5876	155	0.75	1.31	2.03	93.23
6067	191	1.00	1.75	3.34	96.57
6226	159	2.25	3.93	6.24	102.81
6350	124	1.50	2.62	3.24	106.05
6382	32	2.00	3.49	1.11	107.16
6412	30	1.25	2.18	0.65	107.81
6600	188	1.75	3.05	5.73	113.54
6694	94	1.75	3.05	2.86	116.40
6885	191	1.25	2.18	4.16	120.56
7327	442	2.75	4.80	21.21	141.77
7454	127	2.00	3.49	4.43	146.20
7547	93	2.50	4.36	4.05	150.25
7642	95	2.50	4.36	4.14	154.39
7833	191	1.50	2.62	5.00	159.39
7959	126	2.00	3.49	4.39	163.78
8054	95	1.00	1.75	1.66	165.44
8118	64	2.00	3.49	2.23	167.67
8213	95	1.50	2.62	2.48	170.15
8275	62	1.50	2.62	1.62	171.77
8435	160	2.00	3.49	5.58	177.35
8613	178	2.00	3.49	6.21	183.56
8863	250	2.25	3.93	9.82	193.38
8972	109	1.75	3.05	3.32	196.70
9092	120	1.75	3.05	3.66	200.36
9348	256	2.50	4.36	11.16	211.52
9493	145	2.75	4.80	6.96	218.48
9726	233	2.75	4.80	11.18	229.66
9949	223	2.25	3.93	8.76	238.42

If additional space is needed, attach separate sheet and check here. ☐

REMARKS:

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

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. Maura Glesney
Signature

Signature

R. MARIA ELSBURY _____
Name (print)

Name (print) _____

REGULATORY & PRODUCTION COORD.

Title

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

Phone

Date _____

-FOR RAILROAD COMMISSION USE ONLY-

42-461-37662



FILE NO: MD9432	COMPANY WELL	OPAL RESOURCES OPERATING CO., LLC	
API NO: 42-461-37662	FIELD	UNIVERSITY 4-11 #1	
	COUNTY	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	GL	ELEVATION	2749.3 FT
LOG MEASURED FROM	KB	14 FT	ABOVE P.D.
DRILL. MEAS. FROM	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 DEGF	@
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>Barney 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	5. Oil Lse/Gas ID no.	6. County UPTON	7. RRC district 7C		
8. Operator address including city, state, and zip code 952 ECHO LANE, SUITE 200 HOUSTON, TX 77024		9. Well no(s) (see instruction E) <div style="text-align: center; font-size: 1.2em;">1</div>					
		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: <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: 20px;"><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 <input type="checkbox"/> other well (specify) _____ 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"/> 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		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 (Attach an additional sheet in same format if more space is needed)					Percent of Take	RRC USE ONLY Reviewer's initials: _____ Approval date: _____	
LPC CRUDE OIL II, LLC					20		
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 Name (print) Title				Signature <div style="margin-left: 20px;"><input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G)</div> 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.							
R. MARIA ELSBURY Name (print) REGULATORY & PRODUCTION COORD. Title maria.elsbury@opalresources.com E-mail Address (optional)				Signature <div style="margin-left: 20px;"><input checked="" type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G)</div> 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.

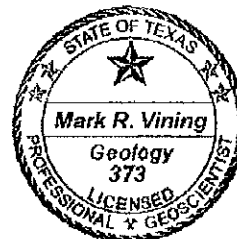
Sincerely,

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, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL



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: 1527608.99'

Y: 1824156.34'

Y: 556846.62'

LAT: 31.189123

LAT: 31.188972

LONG: -101.844285

LONG: -101.84388

1D GATHERING LINE

206'
407.8'
555.4'

GAS TRANSMISSION

S 15°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]