

Enter if Assigned: API No.: 42- <u>425-35357</u>		RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION		FORM W-1 EFF 10/04	
Drilling Permit No.: _____		APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER		Drilling Permit Fee Based on Depth: 0'-2000' \$200 2001'-4000' \$225 4001'-9000' \$250 >9000' \$300 Expedited Service Fee ADD \$150 Rule 37/38 Exception Fee ADD \$200	
Rule 37/38 Case No.: _____					
1. RRC Operator No.: 806470		2. Operator Name (as shown on P-5 Organization Report): SOUTHWEST ROYALTIES, INC.		3. Operator Address (include street, city, state, zip): 6 DESTA DRIVE, STE 2100 MIDLAND, TEXAS 79705	
4. Lease Name: UNIVERSITY "P"		5. Well No.: 4H			
GENERAL INFORMATION					
6. Purpose of Filing (Mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill -horizontal <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)					
7. Wellbore Profile (Mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack					
8. Total Vertical Depth: 11,600'		9. Do you have the right to develop minerals under any right of way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SURFACE LOCATION AND ACREAGE INFORMATION					
11. RRC District No.: 08		12. County: WARD		13. Surface Location: <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/estuary <input type="checkbox"/> Inland waterway <input type="checkbox"/> Offshore	
14. This well is to be located <u>23.4</u> miles in a <u>W</u> direction from <u>MONAHANS</u> , which is the nearest town in the county.					
15. Section: 28		16. Block: 18		17. Survey: ULS	
		18. Abstract No:		19. Distance to nearest lease line: 500	
				20. Number of contiguous acres in lease, pooled unit or unitized tract: 320.35	
21. Lease Perpendiculars: <u>500</u> ft. from the <u>S</u> line and <u>500</u> ft from the <u>W</u> line.					
22. Survey Perpendiculars: <u>500</u> ft from the <u>S</u> line and <u>500</u> ft from the <u>W</u> line.					
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Utilization Docket No.: _____		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input type="checkbox"/> No	
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line. Attach an additional Form W-1 if you require more space.					
26. RRC District No.		27. Field No:		28. Field Name (exactly as shown in RRC records)	
08		95129600		War-Wink, S. (Wolfcamp)	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS - Attach FORM W-1D/FORM W-1H as appropriate					
Remarks: ADMINISTRATIVE WAIVER 37/38 FOR SOUTHWEST ROYALTIES AS OFFSET OPERATOR - SERVICE LISTING FOR 37/38 OTHER OPERATORS ATTACHED. UNIVERSITY LANDS INVOLVED. WELL #3H RECENTLY COMPLETED IN SAME FORMATION. WELL #1H RECOMPL PERMIT DP#655730. WELL #2 WILL NOT PRODUCE CONCURRENTLY FROM THE WAR-WINK, S. (WOLFCAMP FORMATION). PENETRATION POINT 660' FSL & 500' FEL OF LEASE AND SECTION.			CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. DAWN M. HOWARD Name of Representative (Print) 432/688-3267 Telephone (AC and number)		
RRC Use only			Signature <u>[Signature]</u> Date (mm/dd/yy) <u>3/13/08</u> E-mail Address (OPTIONAL - If provided, e-mail address will become part of this public record) <u>Dhoward@claytonwilliams.com</u>		

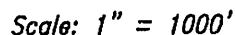
9/30/08
JUB.

**Railroad Commission of Texas
Oil and Gas Division
Application for Permit to Drill, Recomplete or Re-Enter**

**Form W-1H
Supplemental Horizontal Well Information**

07/2004

1. RRC Operator No. 806470		2. Operator Name (as shown on P5 Organization Report) SOUTHWEST ROYALTIES, INC.		3. Lease Name UNIVERSITY "P"		4. Well No. 4H	
Lateral Drainhole Location Information							
5. Field as shown on Form W-1 WAR-WINK. S. (WOLFCAMP)							
6. Section 28	7. Block 18	8. Survey ULS		9. Abstract	10. County of BHL WARD		
11. Terminus Lease Line Perpendiculars #1 2500 ft. from the S line and 500 ft. from the E line.							
12. Terminus Survey Line Perpendiculars 2500 ft from the S line and 500 ft from the E line.							
13. Penetration Point Lease Line Perpendiculars 660 ft. from the S line and 500 ft. from the E line.							
14. Field as shown on Form W-1							
15. Section	16. Block	17. Survey		18. Abstract	19. County of BHL		
20. Terminus Lease Line Perpendiculars #2 ft. from the line and ft. from the line.							
21. Terminus Survey Line Perpendiculars ft from the line and ft from the line.							
22. Penetration Point Lease Line Perpendiculars ft. from the line and ft from the line.							
23. Field as shown on Form W-1							
24. Section	25. Block	26. Survey		27. Abstract	28. County of BHL		
29. Terminus Lease Line Perpendiculars #3 ft. from the line and ft from the line.							
30. Terminus Survey Line Perpendiculars ft from the line and ft from the line.							
31. Penetration Point Lease Line Perpendiculars ft from the line and ft from the line.							



RAILROAD CC MISSION OF TEXAS OIL & GAS DIVISION

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

PERMIT NUMBER		DATE PERMIT ISSUED OR AMENDED		DISTRICT	
657472		5/14/2008		08	
API NUMBER		FORM W-1 RECEIVED		COUNTY	
42 475 35357		3/14/2008		WARD	
TYPE OF OPERATION					
DRILL (HORIZONTAL)					
ACRES					
320.35					
NOTICE					
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No.: 432 684-5581					
LEASE NAME					
UNIVERSITY "P"					
LOCATION					
23.40 MILES W FROM MONAHANS					
TOTAL DEPTH					
11,600					
SECTION, BLOCK and/or SURVEY					
SECTION => 28					
BLOCK => 18					
ABSTRACT =>					
SURVEY ==> ULS					
DISTANCE--LEASE LINES					
500.00 F SE					
DISTANCE--SURVEY LINES					
500.00 F SE					
DISTANCE--NEAREST WELL ON LEASE					
156.0					

READ IMPORTANT CONDITIONS AND INSTRUCTIONS ON THE BACK OF THIS FORM
FIELD(S) AND LIMITATIONS

** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(H) (2) (A) . **
CASE NO. 0256264

BOTTOM HOLE LOCATION FOR WAR-WINK, S. (WOLF CAMP)
SECTION =====> 28
SURVEY NAME =====> ULS
LEASE DISTANCE ==> 2,500.00 F SE
SURVEY DISTANCE ==> 2,500.00 F SE
PENETRATION POINT> 660.00 F SE
NEAREST WELL ==> 156.0
500.00 F SW
500.00 F SW
500.00 F SW

*WAR-WINK, S. (WOLF CAMP)
*** PRECEDING FIELD NAME INDICATES RULE 37

** LIMITATIONS **

THIS WELL SHALL BE COMPLETED AND PRODUCED IN COMPLIANCE WITH
APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING AND DENSITY RULES.
IF THIS WELL IS TO BE USED FOR BRINE MINING, UNDERGROUND STORAGE
OF LIQUID HYDROCARBONS IN SALT FORMATIONS, OR UNDERGROUND STORAGE
OF GAS IN SALT FORMATIONS, A PERMIT FOR THAT SPECIFIC PURPOSE
MUST BE OBTAINED FROM ENVIRONMENTAL SERVICES PRIOR TO CONSTRUCTION,
INCLUDING DRILLING, OF A WELL IN ACCORDANCE WITH STATEWIDE RULES
81, 95, AND 97.

*** PLEASE REFER TO ATTACHMENT ***

ATTACHMENT
FOR DRILLING PERMIT NUMBER
657472

THE FOLLOWING RESTRICTIONS APPLY TO THE FIELDS SPECIFIED

LATERAL # TH1

WAR-WINK, S. (WOLFCAMP)

PENETRATION POINT LOCATION

WAR-WINK, S. (WOLFCAMP)

LEASE LINES: 000660.00 FSE L
WAR-WINK, S. (WOLFCAMP)

000500.00 FSW L
WAR-WINK, S. (WOLFCAMP)

TERMINUS LOCATION

WAR-WINK, S. (WOLFCAMP)

BH COUNTY: 475

WAR-WINK, S. (WOLFCAMP)

SECTION: 28 BLOCK: 18 ABSTRACT:
WAR-WINK, S. (WOLFCAMP)

SURVEY NAME: ULS
WAR-WINK, S. (WOLFCAMP)

LEASE LINES: 002500.00 FSE L
WAR-WINK, S. (WOLFCAMP)

000500.00 FSW L
WAR-WINK, S. (WOLFCAMP)

SURVEY LINES: 002500.00 FSE L
WAR-WINK, S. (WOLFCAMP)

000500.00 FSW L
WAR-WINK, S. (WOLFCAMP)

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DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

6147

PLEASE
DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least two weeks before your operation begins. Due to the volume of these requests, at times, it may be difficult for us to handle telephone inquiries. Complete, keep the bottom sheet (goldenrod) for your files and mail the top 3 sheets of the 4-sheet set of carbon-backed forms with a map to the address below. One sheet bearing our response will be returned to you. Another will be sent to the appropriate district office of the Railroad Commission. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512/238-3282. If you have questions on how to fill out this form or about the Surface Casing program, please contact us at 512/238-4819.

RECEIVED

Surface Casing - MC 151
TCEQ
P.O. Box 13087
Austin, TX 78711-3087

Date 2/28/08

TCEQ File No.: SC-

6147

FEB 29 2008

Dawn Howard 432/6883267
Name of person preparing this request & phone No. (with area code)

Southwest Royalties, Inc.
Company (operator's name as on RRC form W-1)

6 West Drive, Ste 2100
Mailing Address

Midland, TX 79705
City and State ZIP Code

FOR TCEQ USE ONLY

ALWAYS INCLUDE A MAP SHOWING YOUR WELL SITE AND ALL SURROUNDING SURVEYS

COUNTY Ward Survey Name University Lands
Block No. 18 Township Section or Survey No. 28 (or) Lot No.
Abstract No. A- LEASE Name University "P" Well No. 44
Distances, in feet, and directions measured at right angles from each of two intersecting ☒ Section or ☐ Survey lines
(NOT LEASE LINES) 500 feet from S line and 500 feet from W line.
Distance (in miles) and direction from a nearby town in this County (name the town):
23.4 miles W of Monahans

THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT

API # RRC Lease No. RRC Dist. No. 08
GPS Coord. (long/lat or X-Y state plane) N 1080150.04 S 4: 708/20.15 NAD 27

Elevation 2827 Total Depth 11,600 Geologic Fm. at T.D. Wolfcamp
Purpose of the Request ☒ New Drill ☐ Re-entry ☐ Plug & Abandon ☐ Other (specify)
Is this an amended request? ☐ Yes ☒ No Previous File No. for this well: SC-
☐ Log included of same or nearby well (The applicable type of well log that shows the aquifers.) Please provide a location map or API# for attached log

ALWAYS attach the electric log of any well that is to be reentered.

Additional remarks: Plot attached

To protect usable-quality ground water at this location, the TEXAS COMMISSION ON ENVIRONMENTAL QUALITY recommends:

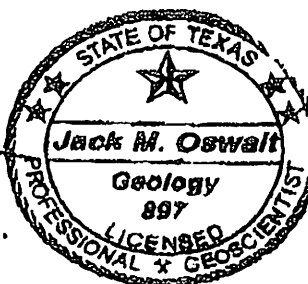
CO-WARD, SUR-UL, BLK-18, SEC-28, LSE-UNIVERSITY-P-, #1/325

The interval from the land surface to a depth of 325 feet must be protected.

DO NOT WRITE HERE
FOR TCEQ USE ONLY

Very truly yours,

Jack M. Oswalt, P.G.



March 3, 2008

Date

typed by TCEQ

Geologist, Surface Casing, TCEQ

NOTE: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operations into a nonproductive zone (RRC Form W-14).

TCEQ-0051 (Rev. 02.13.2003)