

API No. <u>42-475-35516</u> Drilling Permit # <u>686970</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>			FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>806470</u>		2. Operator's Name (as shown on form P-5, Organization Report) SOUTHWEST ROYALTIES, INC.		3. Operator Address (include street, city, state, zip):		
4. Lease Name UNIVERSITY 20-18		5. Well No. <u>3</u>				
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <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 checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack						
8. Total Depth <u>11700</u>		9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County <u>WARD</u>		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>22.1</u> miles in a <u>W</u> direction from <u>MONAHANS</u> which is the nearest town in the county of the well site.						
15. Section <u>20</u>	16. Block <u>18</u>	17. Survey <u>UL</u>	18. Abstract No. <u>A-</u>	19. Distance to nearest lease line: <u>663</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>320</u>	
21. Lease Perpendiculars: <u>663</u> ft from the <u>S</u> line and <u>1980</u> ft from the <u>E</u> line.		22. Survey Perpendiculars: <u>1980</u> ft from the <u>N</u> line and <u>1980</u> ft from the <u>E</u> line.				
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No		
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	95129600	WAR-WINK, S. (WOLFCAMP)	Oil or Gas Well	11370	1344.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS						
Remarks [FILER Nov 4, 2009 10:52 AM]: COORDINATES: X: 1088606.31; Y: 708007.76. ELEVATION 2770'. <div style="text-align: center; font-size: 2em; color: blue; opacity: 0.5; position: relative; height: 100px;"> ENTERED NOV 12 2009 </div>			Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div> Dawn Howard Mrs., Operations Assistant Name of filer _____ (432)6883267 Phone _____ </div> <div> Nov 04, 2009 Date submitted _____ dhoward@claytonwilliams.com E-mail Address (OPTIONAL) _____ </div> </div>			
RRC Use Only			Data Validation Time Stamp: Nov 10, 2009 2:18 PM(Current Version)			

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

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

PERMIT NUMBER 686970	DATE PERMIT ISSUED OR AMENDED Nov 09, 2009	DISTRICT * 08	
API NUMBER 42-475-35516	FORM W-1 RECEIVED Nov 04, 2009	COUNTY WARD	
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 320	
OPERATOR SOUTHWEST ROYALTIES, INC.		806470 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 20-18		WELL NUMBER 3	
LOCATION 22.1 miles W direction from MONAHANS		TOTAL DEPTH 11700	
Section, Block and/or Survey SECTION ◀ 20 BLOCK ◀ 18 ABSTRACT ◀ SURVEY ◀ UL			
DISTANCE TO SURVEY LINES 1980 ft. N 1980 ft. E		DISTANCE TO NEAREST LEASE LINE 663 ft.	
DISTANCE TO LEASE LINES 663 ft. S 1980 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below	
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *			
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE
-----	-----	-----	-----
WAR-WINK, S. (WOLFCAMP) UNIVERSITY 20-18	320.00 663	11,370 1344	3 08
<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p>			

N 73°42'32" E 5283.40'

12

End. Conc. Mon.

13

28 | 21

29	20
----	----

N 16°15'45" W 5285.61

320 a

University 20-18

S 73°42'32" W 5283.40'

S 16°15'45" E 5285.61'

14

Note: Well location is approximately 22.1 miles west of Monahans.

Longitude – 103°15'37.380" W

Scale: 1" = 1000'



P. O. Box 1963 Midland, Texas 79702 (432) 684-6728 Fax 686-1845



Texas Commission
on Environmental Quality
Surface Casing Program

DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

Date November 5, 2009

TCEQ File No.: SC- 6523

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

API Number 47500000

Attention: DAWN HOWARD

RRC Lease No. 25021

SC_806470_47500000_25021_6523.pdf

SOUTHWEST ROYALTIES INC
6 DESTA DR
STE 2100
MIDLAND TX 79705

--Measured--

1980 ft FEL

1980 ft FNL

MRL: SECTION

Digital Map Location:

X-coord/Long 103.26038

Y-coord/Lat 31.58042

Datum 27 Zone

P-5# 806470

County WARD

Lease & Well No. UNIVERSITY 20-18 #3

Purpose ND

Location SUR-UL, BLK-18, SEC-20, -- [TD=11700], [RRC 8],

To protect usable-quality ground water at this location, the Texas Commission on Environmental Quality recommends:

The interval from the land surface to a depth of 400 feet must be protected.

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 groundwater 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 operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-239-0515, sc@tceq.state.tx.us, or by mail MC-151.

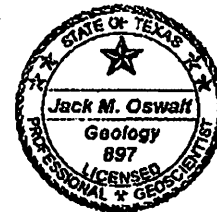
Sincerely,

Digitally signed by Jack M Oswalt
DN: c=US, st=Texas, l=Austin,
cn=Jack M Oswalt,
email=joswalt@tceq.state.tx.us
Date: 2009.11.05 13:04 -06'00'

Jack M. Oswalt, P.G.

Geologist, Surface Casing Team
Waste Permits Division

GEOLOGIST SEAL



The seal appearing on this document was authorized by Jack M. Oswalt on 11/5/2009
Note: Alteration of this electronic document will invalidate the digital signature.