

API No. <u>42-109-32869</u> Drilling Permit # <u>808382</u> SWR Exception Case/Docket No. _____		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <small>This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.</small>				FORM W-1 07/2004 Permit Status: Approved		
1. RRC Operator No. <div style="text-align: center;">130061</div>		2. Operator's Name (as shown on form P-5, Organization Report) <div style="text-align: center;">CAPITAN ENERGY, INCORPORATED</div>			3. Operator Address (include street, city, state, zip): <div style="text-align: center;">PO BOX 2476 CARLSBAD, NM 88221-2476</div>			
4. Lease Name <div style="text-align: center;">STATE J. E. LILES 6</div>			5. Well No. <div style="text-align: center;">1H</div>					
GENERAL INFORMATION								
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) </div>								
7. Wellbore Profile (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <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 </div>								
8. Total Depth <div style="text-align: center;">9800</div>		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. <div style="text-align: center;">08</div>		12. County <div style="text-align: center;">CULBERSON</div>		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>47</u> miles in a <u>N</u> direction from <u>Kent</u> which is the nearest town in the county of the well site.								
15. Section <div style="text-align: center;">6</div>		16. Block <div style="text-align: center;">45</div>		17. Survey <div style="text-align: center;">PSL/HOBBY, E</div>		18. Abstract No. <div style="text-align: center;">A-4630</div>		
				19. Distance to nearest lease line: <div style="text-align: center;">200 ft.</div>		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <div style="text-align: center;">569.8</div>		
21. Lease Perpendiculars: <u>206</u> ft from the <u>NORTH</u> line and <u>2002</u> ft from the <u>WEST</u> line. 22. Survey Perpendiculars: <u>206</u> ft from the <u>NORTH</u> line and <u>2002</u> ft from the <u>WEST</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	32. Number of Wells on this lease in this Reservoir
08	31913800	FORD, WEST (WOLFCAMP)			Oil or Gas Well	9000	0.00	1
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)								
Remarks <div style="height: 100px; border: 1px solid black;"></div>					<u>Certificate:</u> 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> <u>Jackie Kelm, Consultant</u> Name of filer <u>(512)6339722</u> Phone </div> <div> <u>Jul 13, 2015</u> Date submitted <u>jackiek27@austin.rr.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Jul 20, 2015 3:36 PM('As Approved' Version)								

Permit Status: Approved The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.
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RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Form W-1H 07/2004
 Supplemental Horizontal Well Information

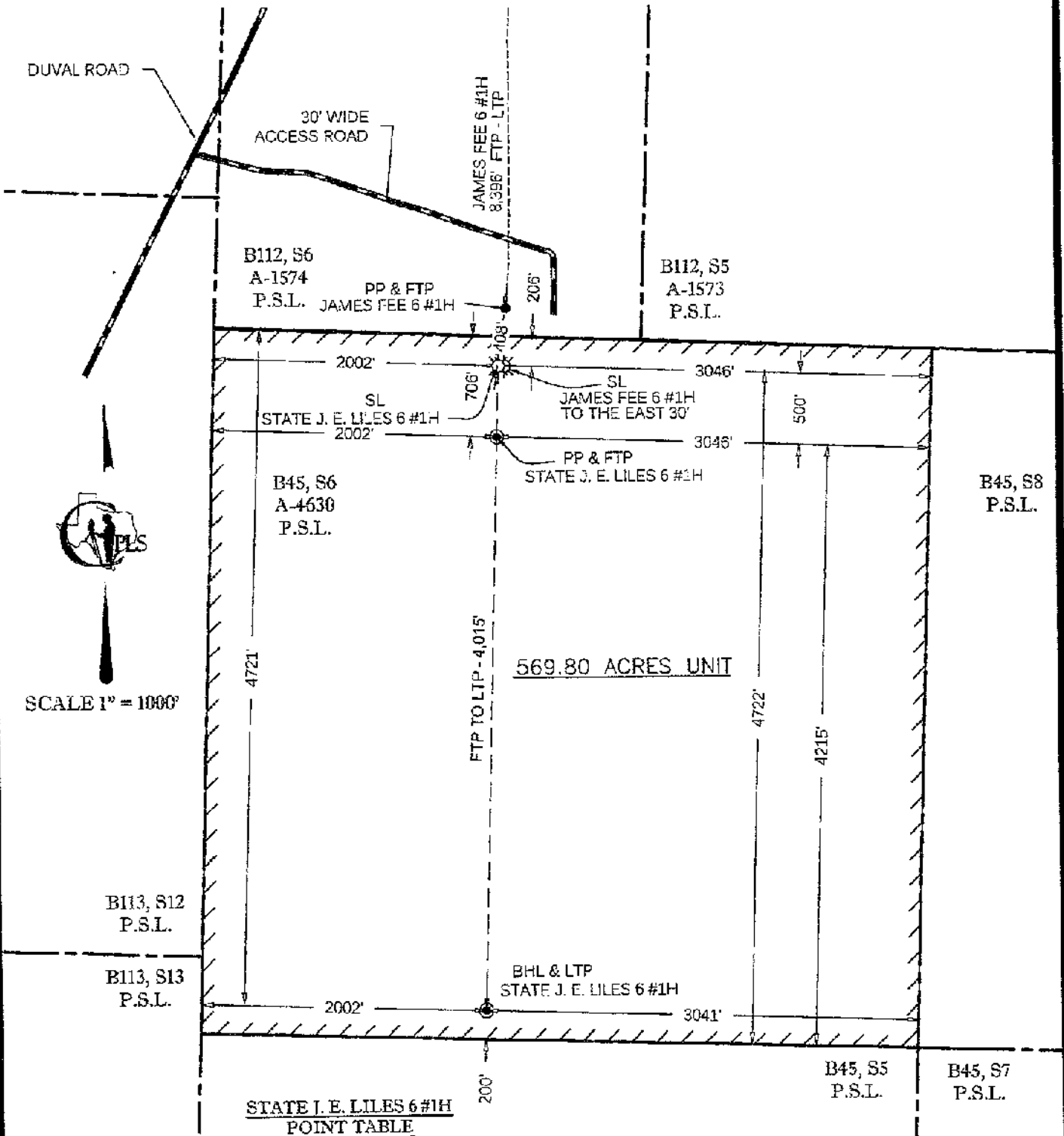
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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 A certification of the automated data is available in the RRC's Austin office.

Permit #	808382
Approved Date:	Jul 20, 2015

1. RRC Operator No. 130061	2. Operator's Name (exactly as shown on form P-5, Organization Report) CAPITAN ENERGY, INCORPORATED	3. Lease Name STATE J. E. LILES 6	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 FORD, WEST (WOLFCAMP) (Field # 31913800, RRC District 08)			
6. Section 6	7. Block 45	8. Survey PSL/HOBBY, E	9. Abstract 4630
10. County of BHL CULBERSON			
11. Terminus Lease Line Perpendiculars 200 ft. from the south line. and 2002 ft. from the west line			
12. Terminus Survey Line Perpendiculars 200 ft. from the south line. and 2002 ft. from the west line			
13. Penetration Point Lease Line Perpendiculars 706 ft. from the north line. and 2002 ft. from the west line			

CULBERSON COUNTY, TEXAS



Description	Northing	Easting	Elevation	Latitude (DMS)	Longitude (DMS)
SL	10616887.25	1127537.53	3214.00	31°44'29.26"	-104°05'40.51"
PP & FTP	10616387.47	127522.93		31°44'24.31"	-104°05'40.48"
BHL & LTP	10612373.80	1127405.70		31°43'44.57"	-104°05'40.27"

STATE OF TEXAS
COUNTY OF CULBERSON
APPROX. 47 MILES NORTH OF KENT, TEXAS

I hereby certify that the above and foregoing plat represents an on the ground survey conducted in February and July of 2015 and is true and correct to the best of my knowledge.

Original signed and stamped in blue ink.
DATE OF SIGNATURE: July 13, 2015

Donald R. Crowley
DONALD R. CROWLEY R.P.L.S. NO. 5210



LEASE BOUNDARY
= STATE J. E. LILES 6 #1H

FOR CROWLEY PIPELINE & LAND SURVEYING, L.L.C.
FRN:100465-00
117 W. ARCHER
JACKSBORO, TEXAS 76458
(940) 567-2234 OFFICE
(940) 567-2155 FAX

NOTE:
BEARINGS, COORDINATES AND DISTANCES LISTED ARE BASED ON U. S. STATE PLANE NAD 1983 COORDINATES, TEXAS CENTRAL ZONE - 4203 ELEVATIONS ARE BASED UPON STATIC GPS READINGS PROCESSED BY OPUS.

NOTE:
THIS SURVEY IS NOT TO BE CONSIDERED A BOUNDARY SURVEY. SECTION LINES BASED UPON FIELD NOTES BY A.H. PARKER - 1900 AND A. M. RANDOLPH 1907 AND VERIFIED BY RECONSTRUCTION ACCORDING TO W.L. DRAKE SURVEY 1965 (CULBERSON COUNTY SKETCH FILE 40).

DRAWN BY: LAJ
DATE: February 16, 2015
DWG. NO.: J. E. LILES #1H R1.dwg
BOOK NO.: FS
TRACT NO.:
PROJECT AFE:
REVISION #1 07-13-15

CAPTAN
ENERGY
INCORPORATED

PROJECT: STATE J. E. LILES 6 #1H
PLAT SHOWING THE STATE J. E. LILES 6 #1H IN SECTION 6, BLOCK 45 OF THE PUBLIC SCHOOL LAND SURVEYS, ABSTRACT 4630, LOCATED IN CULBERSON COUNTY, TEXAS.