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RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

PERMIT TO DISPOSE OF NON-HAZARDOUS OIL AND GAS WASTE BY INJECTION INTO A POROUS FORMATION NOT PRODUCTIVE OF OIL AND GAS

PERMIT NO. 16166

BAM PERMIAN OPERATING, LLC
SUITE 110 PMB #53
4416 BRIARWOOD AVE
MIDLAND TX 79707

Authority is granted to inject Non-Hazardous Oil and Gas waste into the well identified herein in accordance with Statewide Rule 9 of the Railroad Commission of Texas and based on information contained in the application (Form W-14) dated April 10, 2019 for the permitted interval of the SAN ANDRES formation and subject to the following terms and special conditions:

UNIVERSITY MORGAN (000000) LEASE
DUNE FIELD
CRANE COUNTY
DISTRICT 08

WELL IDENTIFICATION AND PERMIT PARAMETERS:

Well No.	API No.	UIC Number	Permitted Fluids	Top Interval (feet)	Bottom Interval (feet)	Maximum Liquid Daily Injection Volume (BBL/day)	Maximum Gas Daily Injection Volume (MCF/day)	Maximum Surface Injection Pressure for Liquid (PSIG)	Maximum Surface Injection Pressure for Gas (PSIG)
1	10336565	000118521	Salt Water	3,500	3,700	2,500		1,750	

SPECIAL CONDITIONS:

Well No.	API No.	Special Conditions
1	10336565	<p>1. Obtain a re-entry drilling permit pursuant to Statewide Rule 5(c).</p> <p>2. A bridge plug must be set below the injection interval at a depth of 3740 feet with 20 feet of cement on top. A copy of Form W-15 Cementing Report must be filed with the initial Form H-5 Injection Well Pressure Test Report documenting compliance with this Special Condition.</p> <p>3. An annual annulus pressure test must be performed and the results submitted in accordance with the instructions of Form H-5.</p> <p>4. The tubing-casing annulus pressure must be monitored at least weekly and reported annually on Form H-10 to the Commission's Austin Offices.</p>

STANDARD CONDITIONS:

1. Injection must be through tubing set on a packer. The packer must be set no higher than 100 feet above the top of the permitted interval.
2. The District Office must be notified 48 hours prior to:
 - a. running tubing and setting packer;
 - b. beginning any work over or remedial operation;
 - c. conducting any required pressure tests or surveys.
3. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.
4. Prior to beginning injection and subsequently after any work over, an annulus pressure test must be performed. The test pressure must equal the maximum authorized injection pressure or 500 psig, whichever is less, but must be at least 200 psig. The test must be performed and the results submitted in accordance with the instructions of Form H-5.
5. The injection pressure and injection volume must be monitored at least monthly and reported annually on Form H-10 to the Commission's Austin office.
6. Within 30 days after completion, conversion to disposal, or any work over which results in a change in well completion, a new Form W-2 or G-1 must be filed to show the current completion status of the well. The date of the disposal well permit and the permit number must be included on the new Form W-2 or G-1.
7. Written notice of intent to transfer the permit to another operator by filing Form P-4 must be submitted to the Commission at least 15 days prior to the date of the transfer.
8. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission. Furthermore, permits issued for wells to be drilled will expire three (3) years from the date of the permit unless drilling operations have commenced.

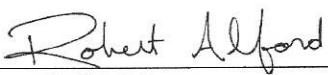
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Note: This document will only be distributed electronically.

Provided further that, should it be determined that such injection fluid is not confined to the approved interval, then the permission given herein is suspended and the disposal operation must be stopped until the fluid migration from such interval is eliminated. Failure to comply with all of the conditions of this permit may result in the operator being referred to enforcement to consider assessment of administrative penalties and/or the cancellation of the permit.

APPROVED AND ISSUED ON May 28, 2019.



FOR Sean Avitt, Manager
Injection-Storage Permits Unit