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|--|---------------|--|--|--|----------------------|--|--|
| API No. <u>42-383-39859</u> Drilling Permit # <u>825646</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. 682074 | | 2. Operator's Name (as shown on form P-5, Organization Report) PT PETROLEUM, LLC | | 3. Operator Address (include street, city, state, zip): 2701 DALLAS PARKWAY STE 580 PLANO, TX 75093-0000 | | | |
| 4. Lease Name UNIVERSITY ORANGE | | 5. Well No. 1042A | | | | | |
| 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 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 Depth 12000 | | 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. 7C | | 12. County REAGAN | | 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>14.1</u> miles in a <u>SE</u> direction from <u>Rankin</u> which is the nearest town in the county of the well site. | | | | | | | |
| 15. Section 4 | | 16. Block 1 | | 17. Survey UNIVERSITY LANDS | | 18. Abstract No. A- | |
| | | | | 19. Distance to nearest lease line: 100 ft. | | 20. Number of contiguous acres in lease, pooled unit, or unitized tract: 14638.59 | |
| 21. Lease Perpendiculars: <u>1053</u> ft from the <u>EAST</u> line and <u>10491.5</u> ft from the <u>NORTH</u> line. 22. Survey Perpendiculars: <u>2319</u> ft from the <u>WEST</u> line and <u>100</u> ft from the <u>SOUTH</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 | |
| 7C | 85279200 | SPRABERRY (TREND AREA) | | Oil or Gas Well | 12000 | 25.00 | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment) | | | | | | | |
| Remarks [RRC STAFF Apr 26, 2017 4:28 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 28, 2017 1:52 PM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 28, 2017 1:53 PM]: Corrected P-16 and plat attached. Lease line distances corrected per Ann. | | | | 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> <u>Ann Ritchie</u> Name of filer </div> <div> <u>Apr 19, 2017</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)6846381</u> Phone </div> <div> <u>ann.wtor@gmail.com</u> E-mail Address (OPTIONAL) </div> </div> | | | |
| RRC Use Only Data Validation Time Stamp: May 3, 2017 3:35 PM(Current Version) | | | | | | | |

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

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

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.

| | |
|----------------|--------------|
| Permit # | 825646 |
| Approved Date: | Apr 28, 2017 |

| | | | |
|---|---|------------------------------------|----------------------|
| 1. RRC Operator No. 682074 | 2. Operator's Name (exactly as shown on form P-5, Organization Report) PT PETROLEUM, LLC | 3. Lease Name UNIVERSITY ORANGE | 4. Well No. 1042A |
| Lateral Drainhole Location Information | | | |
| 5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85279200, RRC District 7C) | | | |
| 6. Section 9 | 7. Block 1 | 8. Survey UNIVERSITY LANDS | 9. Abstract |
| 10. County of BHL REAGAN | | | |
| 11. Terminus Lease Line Perpendiculars 100 ft. from the North line. and 1167 ft. from the East line | | | |
| 12. Terminus Survey Line Perpendiculars 100 ft. from the North line. and 1536 ft. from the West line | | | |
| 13. Penetration Point Lease Line Perpendiculars 10491.5 ft. from the North line. and 1053 ft. from the East line | | | |

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 825646 | DATE PERMIT ISSUED OR AMENDED Apr 28, 2017 | DISTRICT * 7C | |
| API NUMBER 42-383-39859 | FORM W-1 RECEIVED Apr 19, 2017 | COUNTY REAGAN | |
| TYPE OF OPERATION NEW DRILL | WELLBORE PROFILE(S) Horizontal | ACRES 14638.59 | |
| OPERATOR PT PETROLEUM, LLC 2701 DALLAS PARKWAY STE 580 PLANO, TX 75093-0000 | | 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: (325) 657-7450 | |
| LEASE NAME UNIVERSITY ORANGE | | WELL NUMBER 1042A | |
| LOCATION 14.1 miles SE direction from RANKIN | | TOTAL DEPTH 12000 | |
| Section, Block and/or Survey SECTION 4 BLOCK 1 ABSTRACT 1 SURVEY UNIVERSITY LANDS | | | |
| DISTANCE TO SURVEY LINES 2319 ft. WEST 100 ft. SOUTH | | DISTANCE TO NEAREST LEASE LINE 100 ft. | |
| DISTANCE TO LEASE LINES 1053 ft. EAST 10491.5 ft. NORTH | | DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below | |
| FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p> | | | |
| FIELD NAME LEASE NAME | | ACRES NEAREST LEASE | DEPTH NEAREST LEASE |
| SPRABERRY (TREND AREA) UNIVERSITY ORANGE | | 14638.59 100 | 12,000 25 |
| WELLBORE PROFILE(s) FOR FIELD: Horizontal | | | |
| RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 10491.5 F NORTH L 1053.0 F EAST L Terminus Location BH County: REAGAN Section: 9 Block: 1 Abstract: Survey: UNIVERSITY LANDS Lease Lines: 100.0 F NORTH L 1167.0 F EAST L Survey Lines: 100.0 F NORTH L 1536.0 F WEST L | | | |
| THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS | | | |
| 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. | | | |

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 <div style="text-align: right;">825646</div> | DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Apr 28, 2017</div> | DISTRICT <div style="text-align: center;">* 7C</div> |
| API NUMBER <div style="text-align: right;">42-383-39859</div> | FORM W-1 RECEIVED <div style="text-align: center;">Apr 19, 2017</div> | COUNTY <div style="text-align: center;">REAGAN</div> |
| TYPE OF OPERATION <div style="text-align: center;">NEW DRILL</div> | WELLBORE PROFILE(S) <div style="text-align: center;">Horizontal</div> | ACRES <div style="text-align: center;">14638.59</div> |
| OPERATOR <div style="text-align: right;">682074</div> <div style="text-align: center;"> PT PETROLEUM, LLC 2701 DALLAS PARKWAY STE 580 PLANO, TX 75093-0000 </div> | | 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: <div style="text-align: center;">(325) 657-7450</div> |
| LEASE NAME <div style="text-align: center;">UNIVERSITY ORANGE</div> | | WELL NUMBER <div style="text-align: center;">1042A</div> |
| LOCATION <div style="text-align: center;">14.1 miles SE direction from RANKIN</div> | | TOTAL DEPTH <div style="text-align: center;">12000</div> |
| Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION 4</div> <div>BLOCK 1</div> <div>ABSTRACT </div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY UNIVERSITY LANDS</div> <div></div> </div> | | |
| DISTANCE TO SURVEY LINES <div style="text-align: center;">2319 ft. WEST 100 ft. SOUTH</div> | | DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">100 ft.</div> |
| DISTANCE TO LEASE LINES <div style="text-align: center;">1053 ft. EAST 10491.5 ft. NORTH</div> | | DISTANCE TO NEAREST WELL ON LEASE <div style="text-align: center;">See FIELD(s) Below</div> |
| FIELD(s) and LIMITATIONS: <div style="text-align: center; margin-top: 20px;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> FIELD NAME LEASE NAME </div> <div> ACRES NEAREST LEASE </div> <div> DEPTH NEAREST LEASE </div> <div> WELL # NEAREST WE </div> <div> DIST </div> </div> <div style="margin-top: 20px;"> <p>This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.</p> </div> | | |

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

REAGAN (383) County

| Formation | Shallow Top | Deep Top | Remarks | Geological Order | Effective Date |
|-------------|----------------|-------------|--------------------------------|---------------------|-------------------|
| GRAYBURG | 1,500 | 2,500 | | 1 | 12/17/2013 |
| QUEEN | 1,900 | 2,500 | | 2 | 12/17/2013 |
| SAN ANDRES | 2,000 | 5,000 | saltwater flow, possibly heavy | 3 | 12/17/2013 |
| CLEARFORK | 3,300 | 4,000 | | 4 | 12/17/2013 |
| SPRABERRY | 3,300 | 10,000 | | 5 | 12/17/2013 |
| STRAWN | 9,300 | 10,200 | | 6 | 12/17/2013 |
| FUSSELMAN | 8,800 | 11,000 | | 7 | 12/17/2013 |
| ELLENBURGER | 8,700 | 10,500 | | 8 | 12/17/2013 |

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 19 April 2017**GAU Number:** 170616**Attention:** PT PETROLEUM, LLC
2701 DALLAS PARKWAY STE
PLANO, TX 75093**Operator No.:** 682074**API Number:**
County: REAGAN
Lease Name: University Orange
Lease Number:
Well Number: 1041A
Total Vertical Depth: 12000
Latitude: 31.128751
Longitude: -101.731963
Datum: NAD27**Purpose:** New Drill**Location:** Survey-UL; Block-1; Section-4

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from the land surface to 20 feet below the base of the Cretaceous-age beds must be protected. The base of the Cretaceous is estimated to occur at a depth between 700 and 750 feet.

This recommendation is applicable to all wells within a radius of 650 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 04/17/2017. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

