

API No. <u>42-475-37120</u> Drilling Permit # <u>817618</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. 276868		2. Operator's Name (as shown on form P-5, Organization Report) FORGE ENERGY, LLC		3. Operator Address (include street, city, state, zip): 10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000			
4. Lease Name UL 20 TENSLEEP		5. Well No. 1H					
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 12900		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 checked="" type="checkbox"/> Yes <input 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>9</u> miles in a <u>SW</u> direction from <u>Wink</u> which is the nearest town in the county of the well site.							
15. Section 47	16. Block 20	17. Survey UNIVERSITY LANDS		18. Abstract No. A-	19. Distance to nearest lease line: 200 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 640.7	
21. Lease Perpendiculars: <u>495</u> ft from the <u>WEST</u> line and <u>190</u> ft from the <u>SOUTH</u> line. 22. Survey Perpendiculars: <u>495</u> ft from the <u>WEST</u> line and <u>190</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	
08	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	12900	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Aug 10, 2016 7:47 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 10, 2016 8:27 AM]: Changed SHL survey information to match plat and RRC GIS.; [RRC STAFF Aug 10, 2016 8:27 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 10, 2016 8:28 AM]: Legible plat attached.				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>Katrina Boyd, Operations Assistant</u> Name of filer </div> <div> <u>Aug 09, 2016</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)5241301</u> Phone </div> <div> <u>kboyd@forgenergy.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Aug 10, 2016 4:12 PM(Current Version)							

Permit Status: Approved <i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>

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

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 #	817618
Approved Date: Aug 10, 2016	

1. RRC Operator No. 276868	2. Operator's Name (exactly as shown on form P-5, Organization Report) FORGE ENERGY, LLC	3. Lease Name UL 20 TENSLEEP	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 47	7. Block 20	8. Survey UNIVERSITY LANDS	9. Abstract
		10. County of BHL WINKLER	
11. Terminus Lease Line Perpendiculars 467 ft. from the WEST line. and 200 ft. from the NORTH line			
12. Terminus Survey Line Perpendiculars 467 ft. from the WEST line. and 200 ft. from the NORTH line			
13. Penetration Point Lease Line Perpendiculars 495 ft. from the WEST line. and 190 ft. from the SOUTH 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 <div align="center">817618</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Aug 10, 2016</div>	DISTRICT <div align="center">* 08</div>																
API NUMBER <div align="center">42-475-37120</div>	FORM W-1 RECEIVED <div align="center">Aug 09, 2016</div>	COUNTY <div align="center">WARD</div>																
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Horizontal</div>	ACRES <div align="center">640.7</div>																
OPERATOR <div align="center"> FORGE ENERGY, LLC 10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000 </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 align="center">(432) 684-5581</div>																
LEASE NAME <div align="center">UL 20 TENSLEEP</div>		WELL NUMBER <div align="center">1H</div>																
LOCATION <div align="center">9 miles SW direction from WINK</div>		TOTAL DEPTH <div align="center">12900</div>																
Section, Block and/or Survey SECTION ⚡ 47 BLOCK ⚡ 20 ABSTRACT ⚡ SURVEY ⚡ UNIVERSITY LANDS																		
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FIELD(s) and LIMITATIONS: <div align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>																		
<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">FIELD NAME LEASE NAME</th> <th style="width:10%;">ACRES NEAREST LEASE</th> <th style="width:10%;">DEPTH</th> <th style="width:10%;">WELL # NEAREST WE</th> <th style="width:10%;">DIST</th> </tr> </thead> <tbody> <tr> <td>PHANTOM (WOLFCAMP)</td> <td align="center">640.70</td> <td align="center">12,900</td> <td align="center">1H</td> <td align="center">08</td> </tr> <tr> <td>UL 20 TENSLEEP</td> <td align="center">200</td> <td></td> <td align="center">0</td> <td></td> </tr> </tbody> </table>				FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST	PHANTOM (WOLFCAMP)	640.70	12,900	1H	08	UL 20 TENSLEEP	200		0	
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UL 20 TENSLEEP	200		0															
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----																		
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 495.0 F WEST L 190.0 F SOUTH L Terminus Location BH County: WINKLER Section: 47 Block: 20 Abstract: Survey: UNIVERSITY LANDS Lease Lines: 467.0 F WEST L 200.0 F NORTH L Survey Lines: 467.0 F WEST L 200.0 F NORTH L																		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS																		

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;">817618</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Aug 10, 2016</div>	DISTRICT <div style="text-align: center;">* 08</div>
API NUMBER <div style="text-align: right;">42-475-37120</div>	FORM W-1 RECEIVED <div style="text-align: center;">Aug 09, 2016</div>	COUNTY <div style="text-align: center;">WARD</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;">640.7</div>
OPERATOR <div style="text-align: right;">276868</div> <div style="text-align: center;"> FORGE ENERGY, LLC 10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000 </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;">(432) 684-5581</div>
LEASE NAME <div style="text-align: center;">UL 20 TENSLEEP</div>		WELL NUMBER <div style="text-align: center;">1H</div>
LOCATION <div style="text-align: center;">9 miles SW direction from WINK</div>		TOTAL DEPTH <div style="text-align: center;">12900</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION 47</div> <div>BLOCK 20</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;">495 ft. WEST 190 ft. SOUTH</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">200 ft.</div>
DISTANCE TO LEASE LINES <div style="text-align: center;">495 ft. WEST 190 ft. SOUTH</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; padding-top: 20px;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>		
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>FIELD NAME</div> <div>ACRES</div> <div>DEPTH</div> <div>WELL #</div> <div>DIST</div> </div> <div style="display: flex; justify-content: space-between; font-size: small;"> <div>LEASE NAME</div> <div>NEAREST LEASE</div> <div>NEAREST WE</div> <div></div> <div></div> </div> <p style="font-size: x-small; margin-top: 10px;"> 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. 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>		

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

WARD (475) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	1,700	1,700		1	12/17/2013
YATES	2,000	2,800		2	12/17/2013
SEVEN RIVERS	2,375	2,375		3	12/17/2013
QUEEN	2,200	3,200		4	12/17/2013
GLORIETA	3,900	4,000		5	12/17/2013
SAN ANDRES	2,000	4,500	high flows, H2S, corrosive	6	12/17/2013
HOLT	4,600	4,800		7	12/17/2013
CLEARFORK	4,500	5,000		8	12/17/2013
DELAWARE	2,300	5,000		9	12/17/2013
TUBB	4,600	5,300		10	12/17/2013
WICHITA ALBANY	6,000	6,200		11	12/17/2013
CHERRY CANYON	4,800	7,800		12	12/17/2013
WADDELL	7,600	9,700		13	12/17/2013
BONE SPRINGS	4,700	9,800		14	12/17/2013
WOLFCAMP	6,000	12,750		15	12/17/2013
MONTOYA	14,500	14,500		16	12/17/2013
PENNSYLVANIAN	7,500	14,900		17	12/17/2013
ATOKA	12,000	15,000		18	12/17/2013
FUSSELMAN	6,400	17,500		19	12/17/2013
DEVONIAN	6,200	17,800		20	12/17/2013
ELLENBURGER	7,900	20,800		21	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: 10 August 2016**GAU Number:** 158518**Attention:** FORGE ENERGY, LLC
10999 IH 10 WEST SUITE 900
SAN ANTONIO, TX 78230**Operator No.:** 276868**API Number:**
County: WARD
Lease Name: UL 20 TENSLEEP
Lease Number:
Well Number: 1H
Total Vertical Depth: 12900
Latitude: 31.643533
Longitude: -103.275684
Datum: NAD27**Purpose:** New Drill**Location:** Survey-UL; Block-20; Section-47

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 the base of the Alluvium, which is estimated to occur at a depth of 300 feet, must be protected.

Please send Gamma Ray/Porosity log of this well when it is available.

This recommendation is applicable for all wells drilled in this Section 47 on this Lease.

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 08/09/2016. 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

