

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
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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 checked="" type="checkbox"/> Amended		<input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)		<input type="checkbox"/> Field Transfer	
<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 ?		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<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: 1281.4					
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	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12900	137.00	7
08	98359800	WOLFBONE (TREND AREA)	Oil or Gas Well	12900	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)	
Remarks See W1 Comments attached	Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Katrina Boyd, Operations Assistant</u> <u>Apr 25, 2017</u> Name of filer Date submitted <u>(432)5241301</u> <u>kboyd@forenergy.com</u> Phone E-mail Address (OPTIONAL)
RRC Use Only Data Validation Time Stamp: May 2, 2017 1:05 PM(Current Version)	

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

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

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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Permit # **817618**
Approved Date: **May 02, 2017**

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
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)**

6. Section 38	7. Block 20	8. Survey UNIVERSITY LANDS	9. Abstract	10. County of BHL WINKLER
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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

5. Field as shown on Form W-1 **WOLFBONE (TREND AREA) (Field # 98359800, RRC District 08)**

6. Section 38	7. Block 20	8. Survey UNIVERSITY LANDS	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 467 ft. from the WEST line. and 200 ft. from the NORTH line
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W-1 Comments

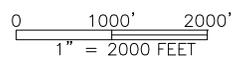
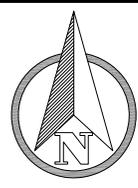
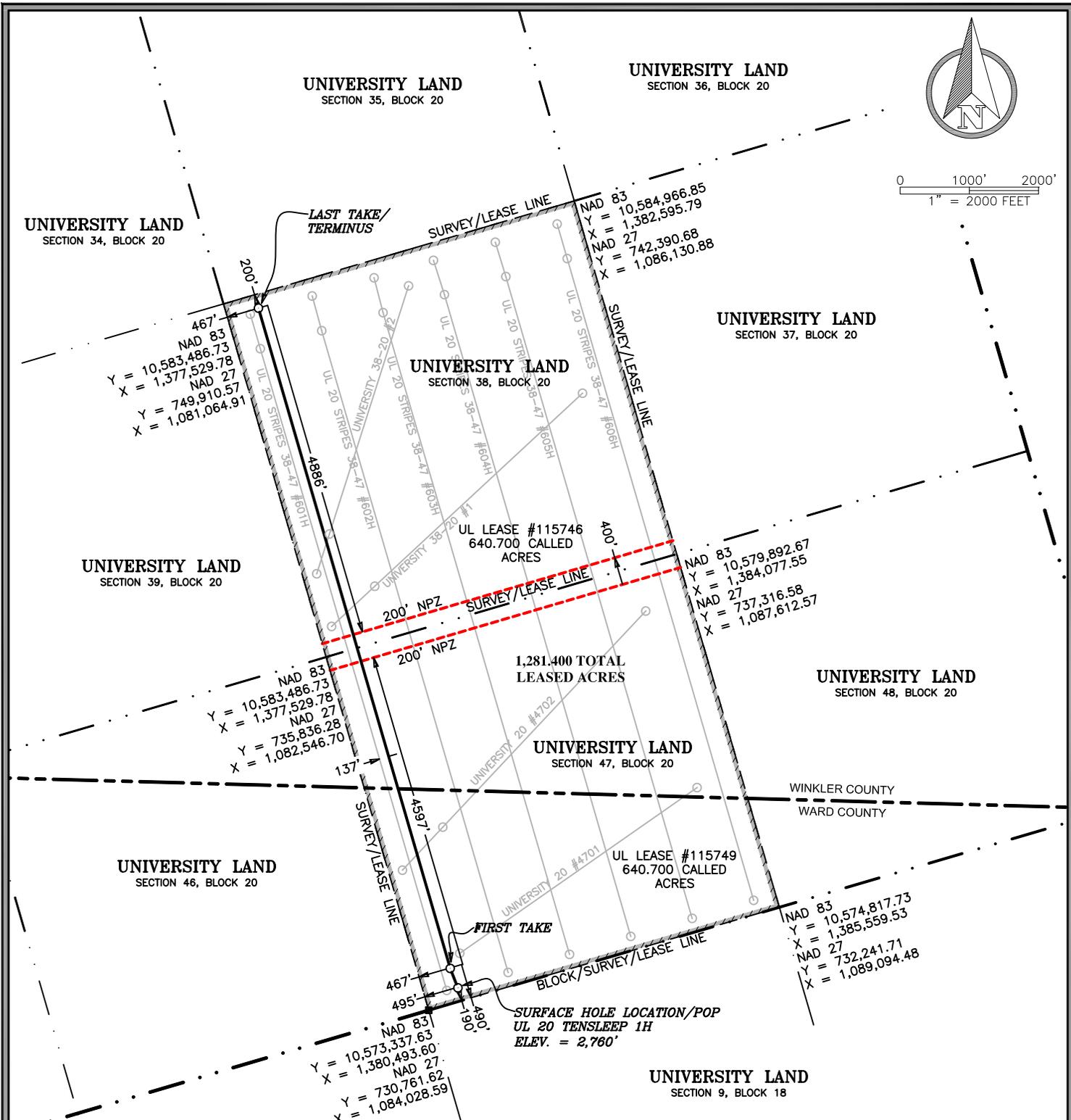
Permit # **817618**

Approved Date: **May 02, 2017**

[Apr 18, 2017 1:25 PM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.



LEGEND

- SURVEY LINE
- LEASE LINE
- COUNTY LINE
- 200' NO PERF ZONE
- EXISTING ENERGEN LATERALS

DRIVING DIRECTIONS TO LOCATION:
 FROM THE INTERSECTION OF STATE HIGHWAY 115 AND FM 1232 IN WINK, HEAD SOUTH ON STATE HIGHWAY 115 FOR 5.1 MILES. TURN RIGHT (SOUTHWEST) ONTO LITTLE JOE ROAD FOR 2.8 MILES AND TURN LEFT (WEST) ON A LEASE ROAD. HEAD WEST ON LEASE ROAD FOR 5.5 MILES AND THE LOCATION WILL BE APPROXIMATELY 0.3 MILES ON THE RIGHT (NORTHWEST).

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT SURFACE LOCATION AS STAKED ON THE GROUND.

MARK DILLON HARP
 REGISTERED PROFESSIONAL LAND SURVEYOR
 STATE OF TEXAS NO. 6445



WELL LOCATION INFORMATION:

SURFACE HOLE LOCATION/PP: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,573,658.83, X = 1,380,915.48 LAT: N 31.643663°, LONG: W 103.276130° SHL: 495' FWL & 190' FSL SHL: 495' FWLL & 190' FSLL	LAST TAKE/TERMINUS LOCATION: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,583,425.71, X = 1,378,034.11 LAT: N 31.670293°, LONG: W 103.286219° LT/TERMINUS: 467' FWL & 200' FNL LT/TERMINUS: 467' FWLL & 200' FNLL
NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 731,082.82, X = 1,084,450.47 LAT: N 31.643533°, LONG: W 103.275684°	NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 740,849.55, X = 1,081,569.24 LAT: N 31.670163°, LONG: W 103.285772°
FIRST TAKE LOCATION: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,573,938.97, X = 1,380,804.51 LAT: N 31.644425°, LONG: W 103.276511° FT: 467' FWLL & 490' FSLL	
NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 731,362.95, X = 1,084,339.50 LAT: N 31.644294°, LONG: W 103.276064°	

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS PLANE COORDINATE SYSTEM OF NAD 27, TEXAS CENTRAL ZONE 4203
2. VERTICAL DATUM IS NAVD 88
3. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
4. AREA, DISTANCES, AND COORDINATES ARE "GRID".
5. UNITS ARE UNITED STATES SURVEY FOOT.
6. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

PLAT OF:
 A PROPOSED WELL LOCATION FOR:
FORGE ENERGY
UL 20 TENSLEEP 1H

SITUATED IN THE UNIVERSITY LAND, SECTION 47, BLOCK 20, THE UNIVERSITY LAND, SECTION 38, BLOCK 20, AND BEING APPROXIMATELY 9.0 MILES SOUTHWEST OF WINK IN WINKLER COUNTY, TEXAS.

DATE:	4-24-2017
DRAWN BY:	AP/RP/CH/AI
CHECKED BY:	DH
FIELD CREW:	BK
PROJECT NO:	2016080608
SCALE:	1" = 2000'
SHEET:	1 OF 1
REVISION:	3

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