

API No. <u>42-475-37215</u> Drilling Permit # <u>824506</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. <div style="text-align: center;">265322</div>		2. Operator's Name (as shown on form P-5, Organization Report) <div style="text-align: center;">FELIX ENERGY HOLDINGS II, LLC</div>			3. Operator Address (include street, city, state, zip): <div style="text-align: center;">FELIX ENERGY 1530 16TH ST SUITE 500 DENVER, CO 80202-0000</div>			
4. Lease Name <div style="text-align: center;">UL GUANELLA 05-17</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;">14000</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 checked="" type="checkbox"/> Yes <input 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;">WARD</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>3.76</u> miles in a <u>NW</u> direction from <u>Pyote</u> which is the nearest town in the county of the well site.								
15. Section <div style="text-align: center;">5</div>		16. Block <div style="text-align: center;">17</div>	17. Survey <div style="text-align: center;">UL</div>		18. Abstract No. <div style="text-align: center;">A-</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: 640.72								
21. Lease Perpendiculars: <u>225</u> ft from the <u>S</u> line and <u>330</u> ft from the <u>W</u> line. 22. Survey Perpendiculars: <u>225</u> ft from the <u>S</u> line and <u>330</u> ft from the <u>W</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	14000	0.00	1
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)								
Remarks 					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>Bill Spencer, Consultant</u> Name of filer <u>(512)9181062</u> Phone </div> <div> <u>Mar 15, 2017</u> Date submitted <u>bill@spencerconsulting.org</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only					Data Validation Time Stamp: Mar 24, 2017 4:01 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 #	824506
Approved Date:	Mar 24, 2017

1. RRC Operator No. 265322	2. Operator's Name (exactly as shown on form P-5, Organization Report) FELIX ENERGY HOLDINGS II, LLC	3. Lease Name UL GUANELLA 05-17	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 5	7. Block 17	8. Survey UL	9. Abstract 44
10. County of BHL WARD			
11. Terminus Lease Line Perpendiculars 50 ft. from the N line. and 330 ft. from the W line			
12. Terminus Survey Line Perpendiculars 50 ft. from the N line. and 330 ft. from the W line			
13. Penetration Point Lease Line Perpendiculars 225 ft. from the S line. and 330 ft. from the W 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">824506</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Mar 24, 2017</div>	DISTRICT <div align="center">* 08</div>																																				
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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. <div> Lateral: TH1 Penetration Point Location Lease Lines: 225.0 F S L 330.0 F W L Terminus Location BH County: WARD Section: 5 Block: 17 Abstract: 44 Survey: UL Lease Lines: 50.0 F N L 330.0 F W L Survey Lines: 50.0 F N L 330.0 F W L </div>																																						
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;">824506</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Mar 24, 2017</div>	DISTRICT <div style="text-align: center;">* 08</div>
API NUMBER <div style="text-align: right;">42-475-37215</div>	FORM W-1 RECEIVED <div style="text-align: center;">Mar 15, 2017</div>	COUNTY <div style="text-align: center;">WARD</div>
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LEASE NAME <div style="text-align: center;">UL GUANELLA 05-17</div>		WELL NUMBER <div style="text-align: center;">1H</div>
LOCATION <div style="text-align: center;">3.76 miles NW direction from PYOTE</div>		TOTAL DEPTH <div style="text-align: center;">14000</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION ◀ 5</div> <div>BLOCK ◀ 17</div> <div>ABSTRACT ◀</div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY ◀ UL</div> <div></div> <div></div> </div>		
DISTANCE TO SURVEY LINES <div style="text-align: center;">225 ft. S 330 ft. W</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">200 ft.</div>
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<p>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.</p> <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> <p>The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.</p>		

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

WARD (475) County

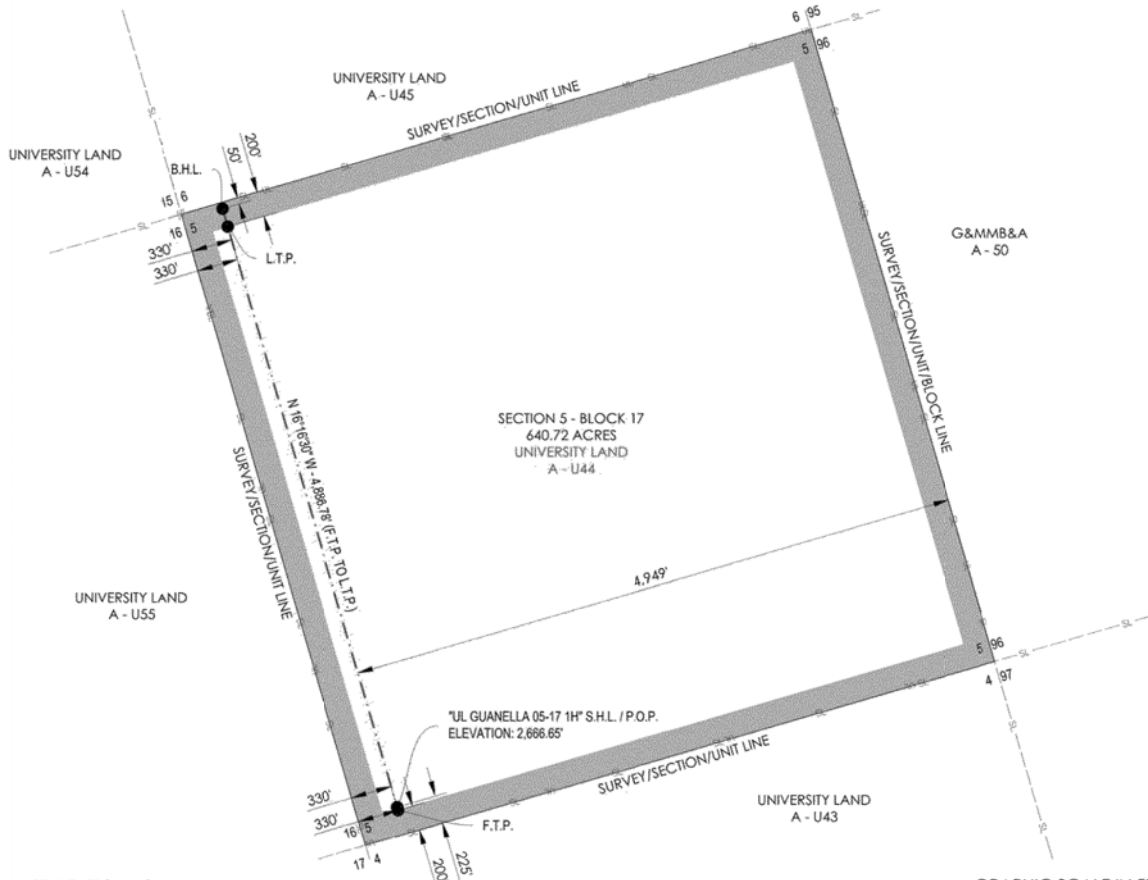
Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	1,700	1,700		1	12/17/2013
YATES	2,000	2,800		2	12/17/2013
SEVEN RIVERS	2,375	2,375		3	12/17/2013
QUEEN	2,200	3,200		4	12/17/2013
GLORIETA	3,900	4,000		5	12/17/2013
SAN ANDRES	2,000	4,500	high flows, H2S, corrosive	6	12/17/2013
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>



WARD COUNTY, TEXAS
S.H.L. 225' FSL - 330' FWL, SECTION 5, BLOCK 17

LEGEND	
UL	UNIT LINE
SL	SECTION LINE
---	PROPOSED WELL PATH
---	NEAREST PROPOSED WELL PATH
---	200' UNIT OFFSET
S.H.L.	SURFACE HOLE LOCATION
P.O.P.	POINT OF PENETRATION
F.T.P.	FIRST TAKE POINT
T.P.	TURNING POINT
L.T.P.	LAST TAKE POINT
B.H.L.	BOTTOM HOLE LOCATION



OPERATOR: FELIX ENERGY, LLC

WELL NAME: UL GUANELLA 05-17

WELL NO: 1H

TOPOGRAPHIC & VEGETATION: FLAT LOCATION WITH LOW LYING BRUSH

GOOD DRILL SITE: YES

REFERENCE STAKES OR ALTERNATE LOCATION
STAKES SET: NONE

BEST ACCESSIBILITY TO LOCATION: FROM SOUTH

DISTANCE & DIRECTION

FROM HWY JCT OR TOWN: ±3.76 MILES NORTHWEST OF PYOTE, TX
FROM THE INTERSECTION OF PYOTE ST. AND HIGHWAY 2355 IN PYOTE, TEXAS, TAKE HIGHWAY 2355 AND TRAVEL WEST FOR ±3.11 MILES, TURN RIGHT ON AN EXISTING LEASE ROAD AND TRAVEL FOR ±1.46 MILES, TURN RIGHT ON AN EXISTING LEASE ROAD AND TRAVEL ±1.31 MILES TO A PROPOSED LEASE ROAD STRAIGHT AHEAD IN CURVE AND TRAVEL ±426 FEET TO THE WELL PAD.



CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (60193715)
1000 Ledgeview Dr.
Conway, AR 72034

SURFACE HOLE LOCATION / POINT OF PENETRATION:

225' FSL & 330' FWL (SEC. 5)
GROUND ELEVATION: 2,666.65'
NAD 27 TEXAS CENTRAL ZONE
NORTHING: 708028.35, EASTING: 1118509.48
LATITUDE: N 31.58260250°, LONGITUDE: W -103.16438961°
NAD 83 TEXAS CENTRAL ZONE
NORTHING: 10550603.99, EASTING: 1414975.31
LATITUDE: N 31.58273459°, LONGITUDE: W -103.16483069°

FIRST TAKE POINT:

200' FSL & 330' FWL (SEC. 5)
NAD 27 TEXAS CENTRAL ZONE
NORTHING: 708004.35, EASTING: 1118516.49
LATITUDE: N 31.58253703°, LONGITUDE: W -103.16436515°

WELL PATH DATA

LINE	BEARING	DISTANCE
S.H.L./P.O.P. TO F.T.P.	S 16°16'30" E	25.00'
F.T.P. TO L.T.P.	N 16°16'30" W	4,886.78'
L.T.P. TO B.H.L.	N 16°16'30" W	150.00'

LAST TAKE POINT:

200' FNL & 330' FWL (SEC. 5)
NAD 27 TEXAS CENTRAL ZONE
NORTHING: 712695.25, EASTING: 1117147.05
LATITUDE: N 31.59533319°, LONGITUDE: W -103.16914541°

CALLS FROM SECTION LINE

S.H.L./P.O.P.	225' FSL, 330' FWL
F.T.P.	200' FSL, 330' FWL
L.T.P.	200' FNL, 330' FWL
B.H.L.	50' FNL, 330' FWL

BOTTOM HOLE LOCATION:

50' FNL & 330' FWL (SEC. 5)
NAD 27 TEXAS CENTRAL ZONE
NORTHING: 712839.23, EASTING: 1117105.01
LATITUDE: N 31.59572597°, LONGITUDE: W -103.16929216°

UNIT CORNERS

LOCATION	NAD27	
	STATE PLANE TEXAS CENTRAL (22099)	GEOGRAPHIC (4267)
NE CORNER BLK 17-SEC 5	N: 714275.75 E: 1121841.67	LAT: 31.60000501° LONG: -103.15420102°
SE CORNER BLK 17-SEC 5	N: 709200.92 E: 1123322.71	LAT: 31.58616092° LONG: -103.14903303°
SW CORNER BLK 17-SEC 5	N: 707719.78 E: 1118255.79	LAT: 31.58173670° LONG: -103.16517881°
NW CORNER BLK 17-SEC 5	N: 712794.65 E: 1118774.26	LAT: 31.59558026° LONG: -103.17035047°

GENERAL NOTES

- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.
- BASIS OF BEARINGS: TEXAS STATE PLANE GRID CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
- COMBINED SCALE FACTOR AT S.H.L. - 0.99900554
- VERTICAL DATUM IS NAVD 83
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



501.328.3316 | 501.328.3325 |
www.craftontull.com

REVISION	"UL GUANELLA 05-17 1H"		
	SECTION 5, BLOCK 17 640.72 ACRES PROPOSED DRILL SITE WARD COUNTY, TEXAS		
SCALE: 1" = 1000'	CHECKED BY: HFD	APPROVED BY: A.LILEY	
PLOT DATE: 03-09-2017	DRAWN BY: L.DOW	SHEET NO.: 1 OF 1	