

API No. <u>42-003-48858</u>	RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION				FORM W-1 07/2004	
Drilling Permit # <u>892218</u>	APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER				Permit Status: Approved	
SWR Exception Case/Docket No. <u>0341382</u> (R37)	<i>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.</i>					
1. RRC Operator No. 217012	2. Operator's Name (as shown on form P-5, Organization Report) DIAMONDBACK E&P LLC			3. Operator Address (include street, city, state, zip): 500 W TEXAS AVE STE 100 MIDLAND, TX 79701		
4. Lease Name UL LUNATE 5-38 E			5. Well No. 1MS			
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 9200		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. 08		12. County ANDREWS		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>18.6</u> miles in a <u>NE</u> direction from <u>ANDREWS</u> which is the nearest town in the county of the well site.						
15. Section 5	16. Block 7	17. Survey UL		18. Abstract No. A-U190	19. Distance to nearest lease line: ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 600
21. Lease Perpendiculars: <u>1175</u> ft from the <u>WEST</u> line and <u>1329</u> ft from the <u>SOUTH</u> line.		22. Survey Perpendiculars: <u>1175</u> ft from the <u>WEST</u> line and <u>1329</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	85280300	SPRABERRY (TREND AREA)		Oil or Gas Well	9200	110.00
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. Suzanne Dorchester, Regulatory Analyst Name of filer <u>II</u> Date submitted <u>Jul 18, 2023</u>		
RRC Use Only				Phone <u>(432)2217433</u> E-mail Address (OPTIONAL) <u>SDorchester@DiamondbackEnergy.com</u>		
Data Validation Time Stamp: Aug 21, 2023 12:55 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 # **892218**
Approved Date: **Aug 21, 2023**

1. RRC Operator No. 217012	2. Operator's Name (exactly as shown on form P-5, Organization Report) DIAMONDBACK E&P LLC	3. Lease Name UL LUNATE 5-38 E	4. Well No. 1MS
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)**

6. Section 38	7. Block 6	8. Survey UL	9. Abstract U179	10. County of BHL ANDREWS
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11. Terminus Lease Line Perpendiculars 440 ft. from the WEST line. and 50 ft. from the NORTH line
12. Terminus Survey Line Perpendiculars 440 ft. from the WEST line. and 2590 ft. from the SOUTH line
13. Penetration Point Lease Line Perpendiculars 1175 ft. from the WEST line. and 1329 ft. from the SOUTH line

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

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W-1 Comments

Permit # **892218**

Approved Date: **Aug 21, 2023**

[Jul 17, 2023 4:47 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.; [FILER Jul 18, 2023 2:55 PM]: The depths listed on this application are for regulatory purposes only and meant to satisfy a new regulatory requirement without delaying permitting and operations. These depths provided are an approximation and do not reflect or impact the actual depths held under the applicable agreements. The depths held may change over time for reasons including, but not limited to, contractual provisions, well control, and changes in applicable field rules.

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

ANDREWS (003) County

Formation	Remarks	Geological Order	Effective Date
YATES		1	02/09/2020
SEVEN RIVERS		2	02/09/2020
QUEEN		3	02/09/2020
GRAYBURG		4	02/09/2020
SAN ANDRES	CO2 flood, high flows, H2S, corrosive	5	02/09/2020
HOLT		6	02/09/2020
GLORIETA		7	02/09/2020
CLEARFORK		8	02/09/2020
TUBB		9	02/09/2020
PERMIAN DETRITAL		10	02/09/2020
LEON		11	02/09/2020
WICHITA ALBANY		12	02/09/2020
SPRABERRY		13	02/09/2020
DEAN		14	02/09/2020
WOLFCAMP		15	02/09/2020
CANYON		16	02/09/2020
PENNSYLVANIAN		17	02/09/2020
STRAWN		18	02/09/2020
DEVONIAN		19	02/09/2020
SILURIAN		20	02/09/2020
FUSSELMAN		21	02/09/2020
MCKEE		22	02/09/2020
ELLENBURGER		23	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		24	02/09/2020

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. The listing order of the Formation information reflects the general stratigraphic order and relative geologic age. 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: 20 February 2020**GAU Number:** 270640

Attention: DIAMONDBACK E&P LLC
500 W TEXAS AVE STE 1200
MIDLAND, TX 79701

API Number: 00348246
County: ANDREWS
Lease Name: UL CUCKOO BEE 5-19 D

Operator No.: 217012

Lease Number:
Well Number: 2JM
Total Vertical Depth: 13000
Latitude: 32.423447
Longitude: -102.248769
Datum: NAD27

Purpose: New Production Well**Location:** Survey-UL; Abstract-U190; Block-7; Section-5

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

Water-bearing strata from the land surface to a depth of 300 feet and the Zone, which is estimated to occur from 1275 to 1750 feet must be protected.

This recommendation is applicable for all wells drilled in this Section-5.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. Unless stated otherwise, this recommendation is for normal drilling, production, and plugging operations only.

This determination is based on information provided when the application was submitted on 02/17/2020. 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

