

API No. <u>42-383-40451</u> Drilling Permit # <u>846743</u> SWR Exception Case/Docket No. <u>0316379 (R37)</u>	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 Permit Status: Approved
1. RRC Operator No. 742252	2. Operator's Name (as shown on form P-5, Organization Report) SABLE PERMIAN RESOURCES LAND,LLC	3. Operator Address (include street, city, state, zip) 700 MILAM STREET SUITE 3100 HOUSTON, TX 77002-0000
4. Lease Name BOOTHE 236-6 ALLOC 03		5. Well No. 06HS
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 checked="" 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 9000	9. Do you have the right to develop minerals under any right-of- <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>8.05</u> miles in a <u>NW</u> direction from <u>Barnhart</u> which is the nearest town in the county of the well site.		
15. Section 236	16. Block 1	17. Survey T&P RR CO/COX, X B
18. Abstract No. 66	19. Distance to nearest lease line: 1.0 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1175.26
21. Lease Perpendiculars: <u>985.0</u> ft. from the <u>N</u> line and <u>1422.0</u> ft. from the <u>W</u> line.		
22. Survey Perpendiculars: <u>985.0</u> ft. from the <u>N</u> line and <u>1422.0</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. 7C	27. Field No. 53613750	28. Field Name (exactly as shown in RRC records) LIN (WOLFCAMP)
29. Well Type Oil or Gas Well	30. Completion Depth 9000	31. Distance to Nearest Well in this Reservoir 0.0
		32. Number of Wells on this lease in this Reservoir 1
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS		
Remarks See attached		Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge RRC User _____ 11/26/2018 Name of filer _____ Date Submitted _____ Phone _____ Email Address(OPTIONAL)
RRC Use Only Date Validation Time Stamp: Fri, 22 Feb 2019 09:09:16		

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-

FORM W-1H

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.

*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 # **846743**

Approved Date: **11/30/2018**

1. RRC Operator No. 742252	2. Operator's Name (as shown on form P-5, Organization Report) SABLE PERMIAN RESOURCES LAND,LLC	3. Lease Name BOOTHE 236-6 ALLOC 03	4 Well No. 06HS
--------------------------------------	---	---	---------------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 **LIN (WOLFCAMP) (Field # 53613750, RRC District 7C)**

6. Section 5	7. Block 43	8. Survey UL / A-U304	9. Abstract	10. County of BHL REAGAN
------------------------	-----------------------	---------------------------------	-------------	------------------------------------

11. Terminus Lease Line Perpendiculars
15.0 ft. from the S line and 1238.0 ft. from the W line

12. Terminus Survey Line Perpendiculars
15.0 ft. from the S line and 1238.0 ft. from the W line

13. Penetration Point Lease Line Perpendiculars
15.0 ft. from the N line and 990.0 ft. from the W line

Permit Status: Approved

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

FORM W-1 Comments

Permit # 846743

Approved Date: 11/30/2018

*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.*

[11/26/2018 03:23:38 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 11/26/2018 03:24:35 PM]: Filed to amend surface location.; [RRC STAFF 11/28/2018 09:02:58 AM]: SWR37 lease line checked per allocation status. Resolution and payment pending.; [RRC STAFF 11/28/2018 11:46:01 AM]: There have been problems identified with this permit (see problem letter

**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 846743	DATE PERMIT ISSUED OR AMENDED (AMENDED) 11/30/2018	DISTRICT 7C
API NUMBER 42-383-40451	FORM W-1 RECEIVED 11/26/2018	COUNTY REAGAN
TYPE OF OPERATION New Drill	WELLBORE PROFILE(S) Horizontal	ACRES 1175.26
OPERATOR SABLE PERMIAN RESOURCES LAND,LLC 700 MILAM STREET SUITE 3100 HOUSTON, TX 77002-0000		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 BOOTHE 236-6 ALLOC 03		WELL NUMBER 06HS
LOCATION 8.05 miles NW direction from Barnhart		TOTAL DEPTH 9000
Section, Block and/or Survey SECTION 236 BLOCK 1 ABSTRACT 66 SURVEY T&P RR CO/COX, X B		
DISTANCE TO SURVEY LINES 985.0 ft N 1422.0 ft W		DISTANCE TO NEAREST LEASE LINE 1.0
DISTANCE TO LEASE LINES 985.0 ft N 1422.0 ft W		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO 0316379

FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL# NEAREST WELL	DIST
** LIN (WOLFCAMP)	1175.26	9000	06HS	7C
BOOTHE 236-6 ALLOC 03	1.0		0.0	
WELLBORE PROFILE(s) FOR FIELD: Horizontal				

Terminus Point: TH1 Section: 5 Block: 43 Abstract: Survey: UL / A-U304 BH County: REAGAN

Lease Lines: 15.0 ft S 1238.0 ft W

Survey Lines: 15.0 ft S 1238.0 ft W

Penetration Lines: 15.0 ft N 990.0 ft W

'**' PRECEDING FIELD NAME INDICATES RULE (R37)

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.

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.

Railroad Commission of Texas
Oil and Gas Division
SWR #13 Formation Data
REAGAN (383) COUNTY

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
GRAYBURG	1500	2500		1	01/01/2014
QUEEN	1900	2500		2	01/01/2014
SAN ANDRES	2000	5000	saltwater flow, possibly heavy	3	01/01/2014
CLEARFORK	3300	4000		4	01/01/2014
SPRABERRY	3300	10000		5	01/01/2014
STRAWN	9300	10200		6	01/01/2014
FUSSELMAN	8800	11000		7	01/01/2014
ELLENBURGER	8700	10500		8	01/01/2014

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>

