

API No. <u>42-475-37683</u> Drilling Permit # <u>845069</u> SWR Exception Case/Docket No. <u>0315284 (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 07/2004 Permit Status: Approved
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1. RRC Operator No. 265322	2. Operator's Name (as shown on form P-5, Organization Report) FELIX ENERGY HOLDINGS II, LLC	3. Operator Address (include street, city, state, zip): FELIX ENERGY 1530 16TH ST SUITE 500 DENVER, CO 80202-0000
4. Lease Name UL LEAD KING 344035-16 F		5. Well No. 6H

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 12000	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>2.8</u> miles in a <u>SW</u> direction from <u>Pyote</u> which is the nearest town in the county of the well site.				
15. Section 34	16. Block	17. Survey FREEMAN, L / DITMAR, MRS C I	18. Abstract No. A-1163	19. Distance to nearest lease line: <u>1</u> ft.
20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1707.56				
21. Lease Perpendiculars: <u>558</u> ft from the <u>SW</u> line and <u>2789</u> ft from the <u>NW</u> line.				
22. Survey Perpendiculars: <u>558</u> ft from the <u>SW</u> line and <u>2789</u> ft from the <u>NW</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	12000	110.00	5

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. <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <u>Bill Spencer, Consultant</u> Name of filer </div> <div style="width: 30%;"> <u>Sep 25, 2018</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 40%;"> <u>(512)9181062</u> Phone </div> <div style="width: 60%;"> <u>bill@spencerconsulting.org</u> E-mail Address (OPTIONAL) </div> </div>
RRC Use Only Data Validation Time Stamp: Sep 26, 2018 2:37 PM('As Approved' 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.

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

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Permit # **845069**
Approved Date: **Sep 26, 2018**

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 LEAD KING 344035-16 F	4. Well No. 6H
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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 35	7. Block 16	8. Survey UL / A-U35	9. Abstract	10. County of BHL WARD
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11. Terminus Lease Line Perpendiculars 75 ft. from the NE line. and 1901 ft. from the SE line
12. Terminus Survey Line Perpendiculars 75 ft. from the NE line. and 1901 ft. from the SE line
13. Penetration Point Lease Line Perpendiculars 558 ft. from the SW line. and 2789 ft. from the NW line

Permit Status: **Approved**

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**RAILROAD COMMISSION OF TEXAS
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APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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W-1 Comments

Permit # **845069**

Approved Date: **Sep 26, 2018**

[Sep 25, 2018 9:23 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.; [RRC STAFF Sep 26, 2018 11:43 AM]: Corrected Nearest Lease Line and PoP line calls per plat.

**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>

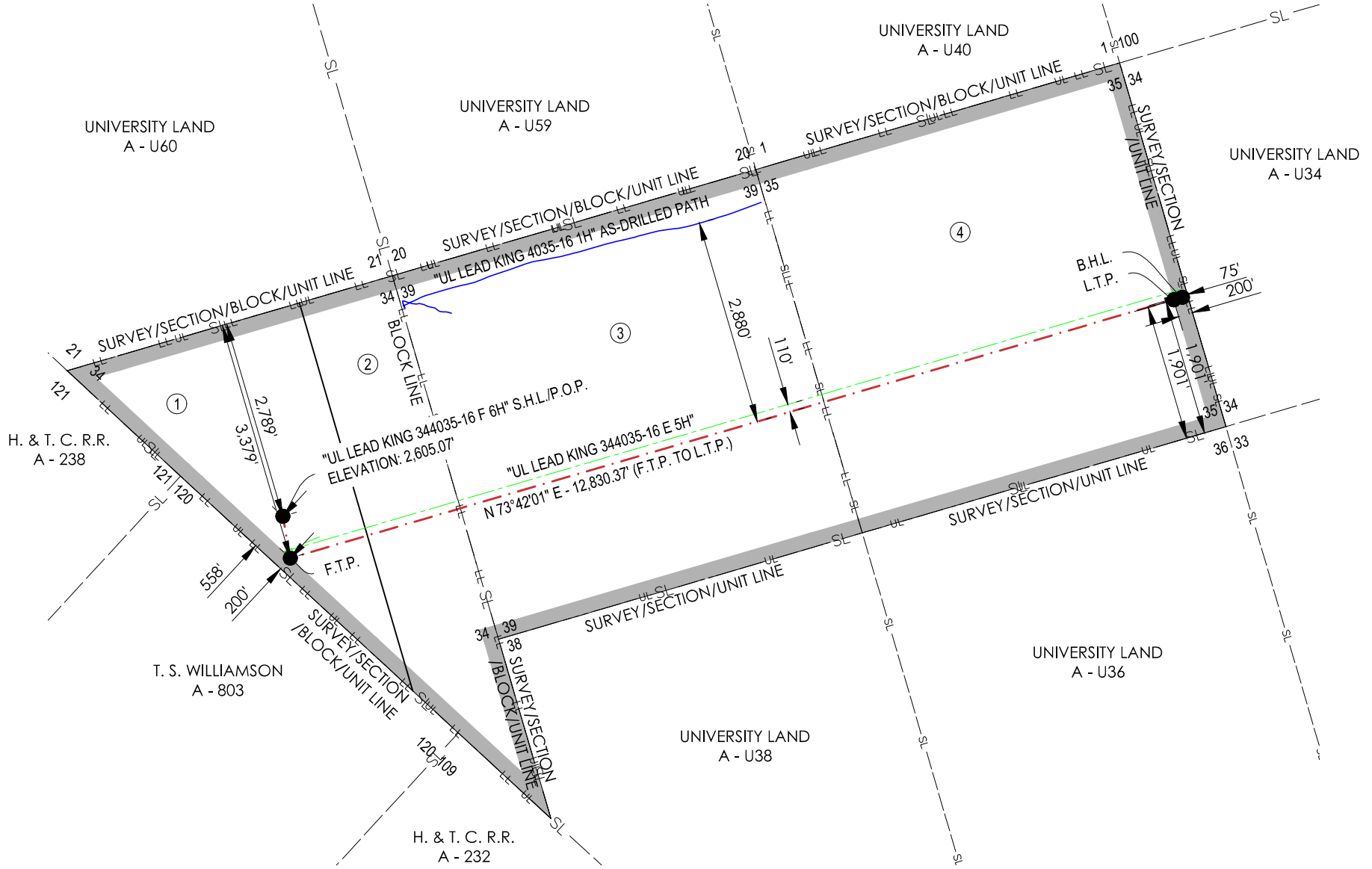
FELIX ENERGY HOLDINGS II, LLC
WARD COUNTY, TEXAS
S.H.L. 558' FWL - 2,789' FNL, SECTION 34

LEGEND

- UL — UNIT LINE
- - - SL - SECTION LINE
- - - LL - LEASE 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

GRID NORTH (NAD 83)
 TEXAS - CENTRAL ZONE

- ① PART OF SEC. 34
219.69 ACRES
L.F. FREEMAN
A - 746
"WHITEHEAD LEASE"
- ② PART OF SEC. 34
208 ACRES
MRS. C.J. DITMAR
A - 1163
"WHITEHEAD LEASE"
- ③ SEC. 40
639.67 ACRES
UNIVERSITY LAND
A - U39
"UL LEASE 112219"
- ④ SEC. 35
640.20 ACRES
UNIVERSITY LAND
A - U35
"UL LEASE 111441"



OPERATOR: FELIX ENERGY HOLDINGS II, LLC

WELL NAME: UL LEAD KING 3404035-16 **WELL NO:** F 6H

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

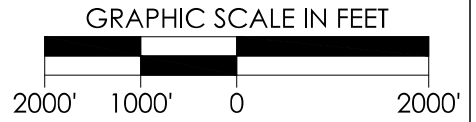
FROM HWY JCT OR TOWN: ±2.8 MILES SOUTHWEST OF PYOTE, TX
 FROM THE INTERSECTION OF PYOTE STREET AND 3RD STREET, HEAD EAST ON 3RD STREET FOR ±0.3 MILES, TURN RIGHT ONTO ROGERS STREET AND HEAD SOUTH FOR ±0.5 MILES, TURN RIGHT ONTO AVENUE EAST AND HEAD WEST FOR ±0.7 MILES, CONTINUE ONTO INTERSTATE 20 SERVICE ROAD AND CONTINUE WEST FOR ±1.8 MILES, TURN LEFT ONTO EXISTING LEASE ROAD AND HEAD SOUTH FOR ±0.6 MILES, TURN RIGHT AND HEAD WEST FOR ±0.4 MILES AND LOCATION IS ON THE RIGHT.

WELL PATH DATA

LINE	BEARING	DISTANCE
S.H.L./P.O.P TO F.T.P.	S 10°08'37" E	593.42'
F.T.P. TO L.T.P.	N 73°42'01" E	12,830.37'
L.T.P. TO B.H.L.	N 73°42'01" E	125.00'

CALLS FROM SECTION LINE

S.H.L./P.O.P	558' FWL, 2,789' FNL (SEC. 34)
F.T.P.	200' FWL, 3,379' FNL (SEC. 34)
L.T.P.	200' FEL, 1,901' FSL (SEC. 35)
B.H.L.	75' FEL, 1,901' FSL (SEC. 35)



SURFACE HOLE LOCATION/POINT OF PENETRATION:

558' FWL & 2,789' FNL (SEC. 34)
 GROUND ELEVATION: 2,605.07'
NAD 27 TEXAS CENTRAL ZONE
 NORTHING: 682491.68, EASTING: 1117617.66
 LATITUDE: N 31.51235635°, LONGITUDE: W 103.16516520°
NAD 83 TEXAS CENTRAL ZONE
 NORTHING: 1052067.01, EASTING: 1414083.68
 LATITUDE: N 31.51248993°, LONGITUDE: W 103.16560534°

FIRST TAKE POINT:

200' FWL & 3,379' FNL (SEC. 34)
NAD 27 TEXAS CENTRAL ZONE
 NORTHING: 681907.54, EASTING: 1117722.17
 LATITUDE: N 31.51075823°, LONGITUDE: W 103.16478225°

LAST TAKE POINT:

200' FEL & 1,901' FSL (SEC. 35)
NAD 27 TEXAS CENTRAL ZONE
 NORTHING: 685508.49, EASTING: 1130036.68
 LATITUDE: N 31.52151074°, LONGITUDE: W 103.12556864°

BOTTOM HOLE LOCATION:

75' FEL & 1,901' FSL (SEC. 35)
NAD 27 TEXAS CENTRAL ZONE
 NORTHING: 685543.58, EASTING: 1130156.66
 LATITUDE: N 31.52161543°, LONGITUDE: W 103.12518656°

UNIT CORNERS

LOCATION	NAD27	
	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
W CORNER SEC.34	N = 684519.41 E = 1114611.45	LAT: 31.51771858° LONG: -103.17497508°
NE CORNER SEC.35 BLK.16	N = 688809.03 E = 1129281.07	LAT: 31.53052976° LONG: -103.12825896°
SE CORNER SEC.35 BLK.16	N = 683740.28 E = 1130761.47	LAT: 31.51670097° LONG: -103.12310105°
SW CORNER SEC.40 BLK.16	N = 680775.95 E = 1120624.22	LAT: 31.50785089° LONG: -103.15538073°
S CORNER SEC.34	N = 678279.10 E = 1121353.40	LAT: 31.50103939° LONG: -103.15283866°



CONTACT INFORMATION:

Shannon D. Ozment
 Crafton Tull (10193715)
 1000 LedgeLawn Dr.
 Conway, AR 72034

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. - 0.99979682
- VERTICAL DATUM IS NAVD 88
- AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
- THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.

1000 LedgeLawn Dr
 Conway, Arkansas 72034



501.328.3316 t 501.328.3325 f
 www.craftontull.com

REVISION

"UL LEAD KING 344035-16 F 6H"

SECTION 34 - 427.69 ACRES
 SECTION 40, BLOCK 16 - 639.67 ACRES
 SECTION 35, BLOCK 16 - 640.20 ACRES
 PROPOSED DRILL SITE
 WARD COUNTY, TEXAS

SCALE: 1" = 2000'
 PLOT DATE: 09-18-2018

CHECKED BY:
 DRAWN BY:

HFD
 L.DOW

APPROVED BY: A.LILEY
 SHEET NO.: 1 OF 1

