

API No. <u>42-475-37955</u> Drilling Permit # <u>854854</u> SWR Exception Case/Docket No. <u>0321761 (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. 617484	2. Operator's Name (as shown on form P-5, Organization Report) OASIS PETROLEUM PERMIAN LLC	3. Operator Address (include street, city, state, zip) 1001 FANNIN STREET STE 1500 HOUSTON, TX 77002-0000
4. Lease Name UL WAPATI C 18-20-21		5. Well No. 3H
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 12500	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 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>8.6</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 20	16. Block 18	17. Survey UL
18. Abstract No. U99	19. Distance to nearest lease line: 1.0 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 961.05
21. Lease Perpendiculars: <u>680.0</u> ft. from the <u>WEST</u> line and <u>456.0</u> ft. from the <u>SOUTH</u> line.		
22. Survey Perpendiculars: <u>680.0</u> ft. from the <u>WEST</u> line and <u>456.0</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. 08	27. Field No. 71052900	28. Field Name (exactly as shown in RRC records) PHANTOM (WOLFCAMP)
29. Well Type Oil or Gas Well	30. Completion Depth 12500	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 <u>07/05/2019</u> Name of filer _____ Date Submitted _____ _____ Phone _____ Email Address(OPTIONAL) _____
RRC Use Only Date Validation Time Stamp: Wed, 24 Jul 2019 16:04:47		

RAILROAD COMMISSION OF TEXAS

FORM W-1H

OIL & GAS DIVISION

Supplemental Horizontal Well Information

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-

*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 Status: **Approved**

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

Permit # **854854**

Approved Date: **07/19/2019**

1. RRC Operator No. 617484	2. Operator's Name (as shown on form P-5, Organization Report) OASIS PETROLEUM PERMIAN LLC	3. Lease Name UL WAPATI C 18-20-21	4 Well No. 3H
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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 21	7. Block 18	8. Survey UL / A-U100	9. Abstract	10. County of BHL WARD
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11. Terminus Lease Line Perpendiculars
552.0 ft. from the WEST line and 50.0 ft. from the NORTH line

12. Terminus Survey Line Perpendiculars
552.0 ft. from the WEST line and 50.0 ft. from the NORTH line

13. Penetration Point Lease Line Perpendiculars
680.0 ft. from the WEST line and 456.0 ft. from the SOUTH 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 # 854854

Approved Date: 07/19/2019

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A certification of the automated data is available in the RRC's Austin office.*

[07/05/2019 02:14:25 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.; [RRC STAFF 07/08/2019 10:31:31 AM]: Corrected Distance to Nearest Lease line to reflect plat. Previous value 456, corrected to 100.; [RRC STAFF 07/08/2019 10:44:18 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF 07/08/2019 04:

**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 854854	DATE PERMIT ISSUED OR AMENDED 07/19/2019	DISTRICT 08
API NUMBER 42-475-37955	FORM W-1 RECEIVED 07/05/2019	COUNTY WARD
TYPE OF OPERATION New Drill	WELLBORE PROFILE(S) Horizontal	ACRES 961.05
OPERATOR OASIS PETROLEUM PERMIAN LLC 1001 FANNIN STREET STE 1500 HOUSTON, TX 77002-0000		617484 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: (432) 684-5581
LEASE NAME UL WAPATI C 18-20-21		WELL NUMBER 3H
LOCATION 8.6 miles NW direction from Pyote		TOTAL DEPTH 12500
Section, Block and/or Survey SECTION 20 BLOCK 18 ABSTRACT U99 SURVEY UL		
DISTANCE TO SURVEY LINES 680.0 ft WEST 456.0 ft SOUTH		DISTANCE TO NEAREST LEASE LINE 1.0
DISTANCE TO LEASE LINES 680.0 ft WEST 456.0 ft SOUTH		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 0321761

FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL# NEAREST WELL	DIST
** PHANTOM (WOLFCAMP)	961.05	12500	3H	08
UL WAPATI C 18-20-21	1.0		0.0	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

Terminus Point: TH1 Section: 21 Block: 18 Abstract: Survey: UL / A-U100 BH County: WARD

Lease Lines: 552.0 ft WEST 50.0 ft NORTH

Survey Lines: 552.0 ft WEST 50.0 ft NORTH

Penetration Lines: 680.0 ft WEST 456.0 ft SOUTH

This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.

'**' 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.

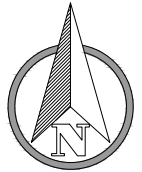
The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, 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.

Railroad Commission of Texas
Oil and Gas Division
SWR #13 Formation Data
WARD (475) COUNTY

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	1700	1700		1	01/01/2014
YATES	2000	2800		2	01/01/2014
SEVEN RIVERS	2375	2375		3	01/01/2014
QUEEN	2200	3200		4	01/01/2014
GLORIETA	3900	4000		5	01/01/2014
SAN ANDRES	2000	4500	high flows, H2S, corrosive	6	01/01/2014
HOLT	4600	4800		7	01/01/2014
CLEARFORK	4500	5000		8	01/01/2014
DELAWARE	2300	5000		9	01/01/2014
TUBB	4600	5300		10	01/01/2014
WICHITA ALBANY	6000	6200		11	01/01/2014
CHERRY CANYON	4800	7800		12	01/01/2014
WADDELL	7600	9700		13	01/01/2014
BONE SPRINGS	4700	9800		14	01/01/2014
WOLFCAMP	6000	12750		15	01/01/2014
MONTOYA	14500	14500		16	01/01/2014
PENNSYLVANIAN	7500	14900		17	01/01/2014
ATOKA	12000	15000		18	01/01/2014
FUSSELMAN	6400	17500		19	01/01/2014
DEVONIAN	6200	17800		20	01/01/2014
ELLENBURGER	7900	20800		21	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>

UNIVERSITY LANDS
SECTION 11, BLOCK 18



0 1000' 2000'
1" = 2000' FEET

UNIVERSITY LAND
SECTION 22, BLOCK 18

UNIVERSITY LAND
SECTION 27, BLOCK 18

UNIVERSITY LANDS
SECTION 12, BLOCK 18

UNIVERSITY LAND
SECTION 21, BLOCK 18

UNIVERSITY LAND
SECTION 28, BLOCK 18

UNIVERSITY LANDS
SECTION 13, BLOCK 18

UNIVERSITY LANDS
SECTION 29, BLOCK 18

UNIVERSITY LANDS
SECTION 20, BLOCK 18

UNIVERSITY LANDS
SECTION 14, BLOCK 18

UNIVERSITY LANDS
SECTION 19, BLOCK 18

100' 50' SURVEY/SECTION/LEASE LINE
LAST TAKE POINT 552' 553'
BOTTOM HOLE LOCATION

LEASE #66419
320.35 ACRES

LEASE #75366
320.35 ACRES

LEASE #69399
320.35 ACRES

SURFACE HOLE LOCATION/POP
WAPATI C 18-20-21 3H

FIRST TAKE POINT 680' 685' 100' 456'

LEGEND

— SURVEY LINE
- - - LEASE LINE

WELL LOCATION INFORMATION:

<p>SURFACE HOLE LOCATION/POP: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,547,112.26, X = 1,383,353.15 LAT: N 31.57089°, LONG: W 103.26605° SHL: 680' FWL & 456' FSL SHL: 680' FWLL & 456' FSLL</p>	<p>LAST TAKE POINT: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,556,692.81, X = 1,380,424.00 LAT: N 31.5970°, LONG: W 103.27627° LT: 553' FWL & 100' FNL</p>
<p>NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 704,536.80, X = 1,086,888.29 LAT: N 31.57076°, LONG: W 103.26561°</p>	<p>NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 714,117.22, X = 1,083,959.26 LAT: N 31.59687°, LONG: W 103.27582°</p>
<p>FIRST TAKE POINT: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,546,771.51, X = 1,383,457.34 LAT: N 31.56996°, LONG: W 103.26569° FT: 685' FWLL & 100' FSLL</p>	<p>TERMINUS LOCATION: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,556,740.63, X = 1,380,409.38 LAT: N 31.59713°, LONG: W 103.27632° TERMINUS: 552' FWL & 50' FNL TERMINUS: 552' FWLL & 50' FNLL</p>
<p>NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 704,196.05, X = 1,086,992.47 LAT: N 31.56983°, LONG: W 103.26524°</p>	<p>NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 714,165.04, X = 1,083,944.64 LAT: N 31.59700°, LONG: W 103.27587°</p>

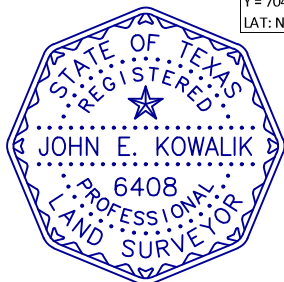
GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS PLANE COORDINATE SYSTEM OF NAD 27, TEXAS CENTRAL ZONE 4203
- VERTICAL DATUM IS NAVD 88
- LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
- AREA, DISTANCES, AND COORDINATES ARE "GRID".
- UNITS ARE UNITED STATES SURVEY FOOT.
- 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".

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION AS PROVIDED BY THE CLIENT.

John Kowalik

JOHN E. KOWALIK
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6408



PLAT OF:

A PROPOSED WELL LOCATION FOR:
OASIS PETROLEUM PERMIAN LLC
UL WAPATI C 18-20-21 3H

SITUATED IN THE UNIVERSITY LANDS SURVEY, SECTION 20, BLOCK 18, UNIVERSITY LANDS SURVEY, SECTION 21, BLOCK 18, AND BEING APPROXIMATELY 8.6 MILES NORTHWEST OF PYOTE IN WARD COUNTY, TEXAS.

DATE: 7-17-2019
DRAWN BY: RWS
CHECKED BY: GG
FIELD CREW: N/A
PROJECT NO: 2019051332
SCALE: 1" = 2000'
SHEET: 1
REVISION: 0



550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPE Firm 17957 | TBPLS Firm 10193887
www.fscinc.net

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