

API No. <u>42-003-03924</u> Drilling Permit # <u>881344</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. 271567		2. Operator's Name (as shown on form P-5, Organization Report) FIVESTONES ENERGY LLC		3. Operator Address (include street, city, state, zip): PO BOX 51082 MIDLAND, TX 79710-0000			
4. Lease Name UNIVERSITY 35A		5. Well No. 3					
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input type="checkbox"/> New Drill <input checked="" 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 checked="" type="checkbox"/> Vertical <input 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 7500		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 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>19</u> miles in a <u>SW</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site.							
15. Section 35		16. Block 11		17. Survey UNIVERSITY LANDS		18. Abstract No. A-U355	
				19. Distance to nearest lease line: ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 165.52	
21. Lease Perpendiculars: <u>552</u> ft from the <u>NORTH</u> line and <u>1105</u> ft from the <u>WEST</u> line. 22. Survey Perpendiculars: <u>2105</u> ft from the <u>SOUTH</u> line and <u>1105</u> ft from the <u>WEST</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	57774275	MARTIN (CONSOLIDATED)		Oil Well	7500	1053.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [RRC STAFF Jun 23, 2022 2:23 PM]: Well #1 is not in the Martin (Consolidated) field. Changed well count to match RRC records. Will not hold up permit because wells 2 and 6 are at a legal distance from well #3.				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>Lisa Mewhorter</u> Name of filer </div> <div> <u>Jun 20, 2022</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)6189929, x1010</u> Phone </div> <div> <u>lisa@fivese.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Jun 24, 2022 7:05 AM(Current Version)							

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;">881344</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Jun 23, 2022</div>	DISTRICT <div style="text-align: center;">* 08</div>			
API NUMBER <div style="text-align: right;">42-003-03924</div>	FORM W-1 RECEIVED <div style="text-align: center;">Jun 20, 2022</div>	COUNTY <div style="text-align: center;">ANDREWS</div>			
TYPE OF OPERATION <div style="text-align: center;">RECOMPLETION</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Vertical</div>	ACRES <div style="text-align: center;">165.52</div>			
OPERATOR <div style="text-align: right;">271567</div> <div style="text-align: center;">FIVESTONES ENERGY LLC</div> <div style="text-align: center;">PO BOX 51082</div> <div style="text-align: center;">MIDLAND, TX 79710-0000</div>		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: <div style="text-align: center;">(432) 684-5581</div>			
LEASE NAME <div style="text-align: center;">UNIVERSITY 35A</div>		WELL NUMBER <div style="text-align: center;">3</div>			
LOCATION <div style="text-align: center;">19 miles SW direction from ANDREWS</div>		TOTAL DEPTH <div style="text-align: center;">7500</div>			
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION ◀ 35</div> <div>BLOCK ◀ 11</div> <div>ABSTRACT ◀ U355</div> </div> <div style="margin-top: 5px;">SURVEY ◀ UNIVERSITY LANDS</div>					
DISTANCE TO SURVEY LINES <div style="text-align: center;">2105 ft. SOUTH 1105 ft. WEST</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">ft.</div>			
DISTANCE TO LEASE LINES <div style="text-align: center;">552 ft. NORTH 1105 ft. WEST</div>		DISTANCE TO NEAREST WELL ON LEASE <div style="text-align: center;">See FIELD(s) Below</div>			
FIELD(s) and LIMITATIONS: <div style="text-align: center;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</div>					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE	DIST
----- MARTIN (CONSOLIDATED) UNIVERSITY 35A		165.52	7,500	3 1053	08
RESTRICTIONS: Permitted for oil only. 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.					
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 & 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 Advisory Unit

Form GW-2

Date Issued: 23 April 2021**GAU Number:** 302713**Attention:** FIVESTONES ENERGY LLC
PO BOX 51082
MIDLAND, TX 79710**Operator No.:** 271567**API Number:** 00303924
County: ANDREWS
Lease Name: University 35-A
Lease Number: 38929
Well Number: 3
Total Vertical 5795
Latitude: 32.105592
Longitude: -102.754505
Datum: NAD27**Purpose:** Test On Inactive Well (H-15)**Location:** Survey-UL; Abstract-U355; Block-11; Section-35

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

The base of usable-quality water that must be protected is estimated to occur at a depth of 1300 feet below the land surface. Moreover, the interval from the land surface to a depth of 250 feet and the fresh water contained in the zone from a depth of 900 feet to 1300 feet must be isolated from water in overlying and underlying beds.

This recommendation is applicable for all wells drilled in this Section 35.

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 04/21/2021. 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

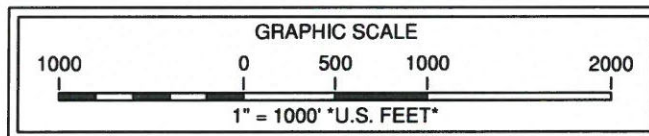
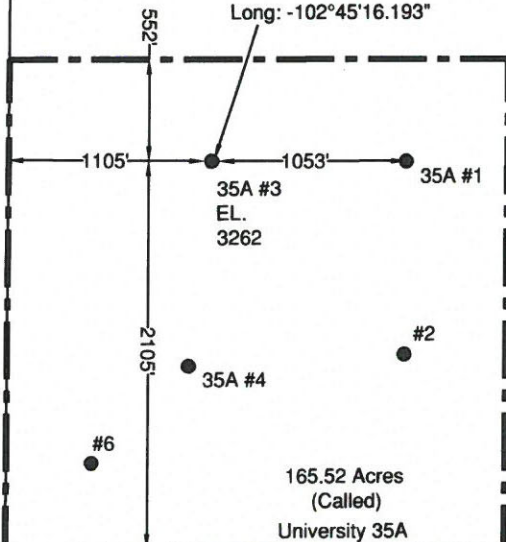
Block 11, University Lands Survey Andrews County, Texas

27 26
34 35

25
36



GRID N: (Y)200357.154
GRID E: (X)373520.085
NAD'83 Lat/Long
Lat: 32°06'20.398"
Long: -102°45'17.765"
NAD'27 Lat/Long
Lat: 32°06'19.997"
Long: -102°45'16.193"



Note: Well is located 19 miles Southwest of the city of Andrews, Texas.
Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Coordinates shown herein are on The Texas Coordinate System of 1927, North Central Zone.
Note: Example: (S-99999) indicates General Land Office file number.

USGS Quadrangle Sheet: Bedford Ranch, Tex.



Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

June 16, 2022
220616JR2-BCL

P.O. Box 51887, Midland, Texas 79710 (432) 262-0901 Fax (432) 262-0679 Firm #100201-00

Railroad Commission Permit Plat

FIVESTONES ENERGY
University 35A #3
2105' FROM SOUTH LINE
1105' FROM WEST LINE
University 35A Lease
165.52 Acres being the SW/4 of
Section 35, Block 11
University Lands Survey
Andrews County, Texas

Scale: 1" = 1000'