

API No. <u>42-003-46897</u> Drilling Permit # <u>798775</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 Permit Status: Approved	
1. RRC Operator No. <div style="text-align: center;">276868</div>		2. Operator's Name (as shown on form P-5, Organization Report) <div style="text-align: center;">FORGE ENERGY, LLC</div>			3. Operator Address (include street, city, state, zip) <div style="text-align: center;">10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000</div>		
4. Lease Name <div style="text-align: center;">UL 14 CONWAY</div>			5. Well No. <div style="text-align: center;">3421H</div>				
GENERAL INFORMATION							
6. Purpose of filing (mark ALL appropriate boxes): <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input checked="" type="checkbox"/> New Drill <input 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 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 </div>							
8. Total Depth <div style="text-align: center;">4900</div>		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. <div style="text-align: center;">08</div>		12. County <div style="text-align: center;">ANDREWS</div>		13. Surface Location <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore </div>			
14. This well is to be located <u>11.6</u> miles in a <u>NW</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site.							
15. Section <div style="text-align: center;">21</div>	16. Block <div style="text-align: center;">14</div>	17. Survey <div style="text-align: center;">UL</div>	18. Abstract No. <div style="text-align: center;">U461</div>	19. Distance to nearest lease line: <div style="text-align: center;">100.0 ft.</div>	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <div style="text-align: center;">642.3</div>		
21. Lease Perpendiculars: <u>205.0</u> ft. from the <u>SOUTH</u> line and <u>2090.0</u> ft. from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>205.0</u> ft. from the <u>SOUTH</u> line and <u>2090.0</u> ft. from the <u>EAST</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. <div style="text-align: center;">08</div>	27. Field No. <div style="text-align: center;">82572666</div>	28. Field Name (exactly as shown in RRC records) <div style="text-align: center;">SHAFTER LAKE, N. (SAN ANDRES)</div>	29. Well Type <div style="text-align: center;">Oil Well</div>	30. Completion Depth <div style="text-align: center;">4900</div>	31. Distance to Nearest Well in this Reservoir <div style="text-align: center;">880.0</div>	32. Number of Wells on this lease in this Reservoir <div style="text-align: center;">3</div>	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks <div style="height: 150px; border: 1px solid black;"></div>				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> RRC User _____ Name of filer _____ Phone _____ </div> <div> 10/21/2014 _____ Date Submitted _____ Email Address(OPTIONAL) _____ </div> </div>			
RRC Use Only Date Validation Time Stamp: Mon, 27 Oct 2014 07:32:53							

RAILROAD COMMISSION OF TEXAS

FORM W-1H

Permit Status: Approved

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

OIL & GAS DIVISION
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.*

Supplemental Horizontal Well Information

Permit # 798775
Approved Date: 10/24/2014

1. RRC Operator No. 276868	2. Operator's Name (as shown on form P-5, Organization Report) FORGE ENERGY, LLC	3. Lease Name UL 14 CONWAY	4 Well No. 3421H	
Lateral Drainhole Location Information				
5. Field as shown on Form W-1 SHAFTER LAKE, N. (SAN ANDRES) (Field # 82572666, RRC District 08)				
6. Section 21	7. Block 14	8. Survey UNIVERSITY LANDS	9. Abstract	10. County of BHL ANDREWS
11. Terminus Lease Line Perpendiculars 2090.0 ft. from the EAST line and 100.0 ft. from the NORTH line				
12. Terminus Survey Line Perpendiculars 2090.0 ft. from the EAST line and 100.0 ft. from the NORTH line				
13. Penetration Point Lease Line Perpendiculars 205.0 ft. from the SOUTH line and 2090.0 ft. from the EAST line				

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 798775	DATE PERMIT ISSUED OR AMENDED 10/24/2014	DISTRICT 08
API NUMBER 42-003-46897	FORM W-1 RECEIVED 10/21/2014	COUNTY ANDREWS
TYPE OF OPERATION New Drill	WELLBORE PROFILE(S) Horizontal	ACRES 642.3
OPERATOR FORGE ENERGY, LLC 10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000		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: (432) 684-5581
LEASE NAME UL 14 CONWAY		WELL NUMBER 3421H
LOCATION 11.6 miles NW direction from Andrews		TOTAL DEPTH 4900
Section, Block and/or Survey SECTION 21 BLOCK 14 ABSTRACT U461 SURVEY UL		
DISTANCE TO SURVEY LINES 205.0 ft SOUTH 2090.0 ft EAST		DISTANCE TO NEAREST LEASE LINE 100.0
DISTANCE TO LEASE LINES 205.0 ft SOUTH 2090.0 ft EAST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME	ACRES	DEPTH	WELL#	DIST
LEASE NAME	NEAREST LEASE		NEAREST WELL	
SHAFTER LAKE, N. (SAN ANDRES)	642.3	4900	3421H	08
UL 14 CONWAY	100.0		880.0	
WELLBORE PROFILE(s) FOR FIELD: Horizontal				

Terminus Point: TH1 Section: 21 Block: 14 Abstract: Survey: UNIVERSITY LANDS BH County: ANDREWS

Lease Lines: 2090.0 ft EAST 100.0 ft NORTH

Survey Lines: 2090.0 ft EAST 100.0 ft NORTH

Penetration Lines: 205.0 ft SOUTH 2090.0 ft EAST

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

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
ANDREWS (003) COUNTY

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
YATES	2500	3200		1	01/01/2014
SEVEN RIVERS	3000	3000		2	01/01/2014
QUEEN	3600	4800		3	01/01/2014
GRAYBURG	3100	5000		4	01/01/2014
SAN ANDRES	3700	5300	CO2 flood, high flows, H2S, corrosive	5	01/01/2014
HOLT	5000	5500		6	01/01/2014
GLORIETA	5100	6000		7	01/01/2014
TUBB	6100	6300		8	01/01/2014
CLEARFORK	5600	7600		9	01/01/2014
PERMIAN DETRITAL	7800	7900		10	01/01/2014
LEON	7900	7900		11	01/01/2014
WICHITA ALBANY	6500	8100		12	01/01/2014
SPRABERRY	7300	8600		13	01/01/2014
DEAN	9200	9500		14	01/01/2014
WOLFCAMP	7500	9900		15	01/01/2014
CANYON	8600	10200		16	01/01/2014
PENNSYLVANIAN	8700	10200		17	01/01/2014
MCKEE	8300	10600		18	01/01/2014
STRAWN	8800	11000		19	01/01/2014
FUSSELMAN	8400	11900		20	01/01/2014
DEVONIAN	7600	12500		21	01/01/2014
SILURIAN	8000	12500		22	01/01/2014
ELLENBURGER	7900	13900		23	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.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date **October 22, 2014**

GAU File No.: **17034**

***** EXPEDITED APPLICATION *****

API Number **00300000**

Attention: **SHANNON HARMAN**

RRC Lease No. **000000**

SC_276868_00300000_000000_17034.pdf

**FORGE ENERGY LLC
10999 IH10 W
STE 900
SAN ANTONIO TX 78230**

P-5# 276868

--Measured--

2090 ft FEL

205 ft FSL

MRL:SECTION

Digital Map Location:

X-coord/Long **102.70882**

Y-coord/Lat **32.41412**

Datum **27**

Zone

County **ANDREWS**

Lease & Well No. **UL 14 CONWAY #3421H&ALL**

Purpose **ND**

Location **SUR-UL, BLK-14, SEC-21, -- [TD=4900], [RRC 8],**

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

The interval from the land surface to a depth of 300 feet and the ZONE from 1175 feet to 1700 feet must be protected.

This recommendation is applicable to all wells drilled in this SESECTION 21 ON THIS LEASE.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-463-2741 gau@rrc.state.tx.us, or by mail.

Sincerely,

George Dunfield, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

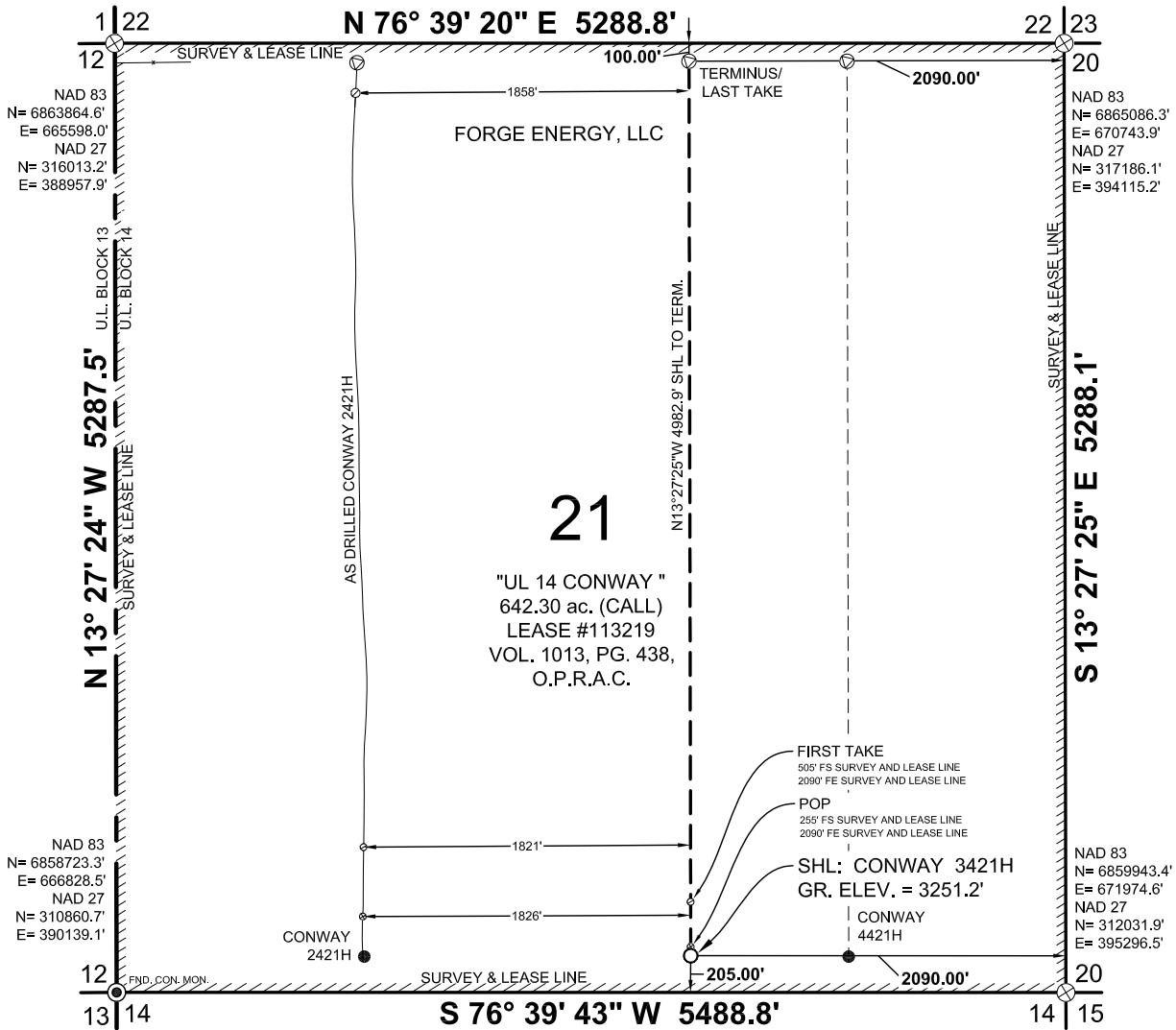


The seal appearing on this document was authorized by George Dunfield on 10/22/2014
Note: Alteration of this electronic document will invalidate the digital signature.

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78711-2967 512-463-2741 Internet address: www.rrc.state.tx.us

SECTION 21, BLOCK 14, UNIVERSITY LANDS SURVEY
ANDREWS COUNTY, TEXAS



SHL	NAD 83, TX NC - N.(Y)= 6859660.5', E.(X)=669893.1' - LAT.= 32°24'51.21"N, LON.= 102°42'33.35"W.
	NAD 27, TX NC - N.(Y)= 311768.8', E.(X)= 393212.5' - LAT.= 32.4141199, LON.= 102.7088155"W.
POINT OF PENETRATION	NAD 83, TX NC - N.(Y)= 6859709.1', E.(X)= 669881.6' - LAT.= 32°24'51.69"N, LON.= 102°42'33.51"W.
	NAD 27, TX NC - N.(Y)= 311817.5', E.(X)= 393201.5' - LAT.= 32.4142522"N, LON.= 102.7088590"W.
FIRST TAKE	NAD 83, TX NC - N.(Y)=6859952.3', E.(X)= 669823.5' - LAT.= 32°24'54.07"N, LON.= 102°42'34.30"W.
	NAD 27, TX NC - N.(Y)= 312061.2', E.(X)= 393145.6' - LAT.= 32.4149137"N, LON.= 102°7090789"W.
TERMINUS & LAST TAKE	NAD 83, TX NC - N.(Y)= 6864506.6', E.(X)= 668733.7' - LAT.= 32°25'38.67"N, LON.= 102°42'49.13"W.
	NAD 27, TX NC - N.(Y)= 316625.5', E.(X)= 392099.5' - LAT.= 32.4273021"N, LON.= 102.7131985"W.

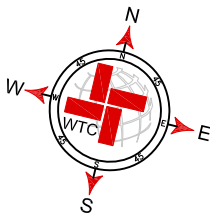
ADJACENT WELLS/ FEATURES		
NAME:	SHL TO SHL	BHL TO BHL
CONWAY 2421H	1819.00'	1850.00
CONWAY 4421H	880.00'	881.00'

DRIVING DIRECTIONS:

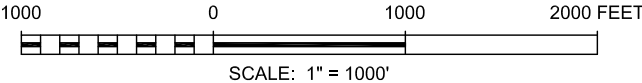
FROM THE INTERSECTION OF U.S. HIGHWAY 385 AND F.M. 1967 ABOUT 8.0 MILES NORTH OF ANDREWS, TX., GO WEST ON F.M. 1967 FOR 8.0 MILES TO A LEASE ROAD RIGHT. GO NORTH ON THIS LEASE ROAD FOR ONE MILE TO LEASE ROAD RIGHT, GO APPROX. 0.6 MILE EAST. LOCATION FLAG IS ABOUT 185 FEET TO NORTH.

SURVEYOR'S NOTES:

- SEE DOCUMENTS FILED IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THESE SECTIONS AND/OR BLOCKS, USING FOUND MONUMENTATION, GLO AND COURTHOUSE DOCUMENTATION..
- NO SURFACE OWNERSHIP WAS PROVIDED OR REQUESTED BY FORGE ENERGY, L.L.C. AND NONE WAS RESEARCHED OR PROVIDED BY WTC, INC.
- BASIS OF BEARINGS AND COORDINATES SHOWN HEREON ARE A LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM NORTH CENTRAL ZONE, NAD 83, BASED ON NGS STATION GARDNER.
- THIS LOCATION IS APPROXIMATELY 11.6 MILES N.53°W. FROM ANDREWS, TEXAS.



- LEGEND
- DENOTES PROPOSED/ PERMITTED SHL WELL LOCATION
 - DENOTES EXISTING WELL
 - ⊗ DENOTES POINT OF PENETRATION
 - ⊙ DENOTES BOTTOM HOLE LOCATION
 - ⊕ DENOTES FIRST/ LAST TAKE
 - ⊖ DENOTES FOUND SECTION CORNER
 - ⊗ DENOTES CALCULATED CORNER
 - ▨ DENOTES LEASE AREA



I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PERMIT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ACTUAL ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR TEXAS RAILROAD COMMISSION PERMITTING ONLY, AND DOES NOT CONSTITUTE OR REPRESENT A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE T.B.P.L.S., "PROFESSIONAL LAND SURVEYING PRACTICES ACT." IF THERE ARE ANY ALTERATIONS MADE, (HAND DRAWN OR HANDWRITTEN ADDITIONS) THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

Gregory W. Shoults, RPLS, No. 5356
October 6, 2014
DATE

SURVEY DATE: 09/26/2014
W.O. NUMBER: 50232

DRAFT: CMR
SHEET: 1 OF 1



UL 14 CONWAY 3421H
SHL LOCATED 205 FEET FROM THE SOUTH LINE AND 2090 FEET FROM THE EAST LINE OF SECTION 21, BLOCK 14, UNIVERSITY LANDS SURVEY, ANDREWS COUNTY, TEXAS.



WTC, INC.
405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181
TEXAS REGISTERED ENGINEERING FIRM F-2746
TEXAS REGISTERED SURVEYOR FIRM #100792-00