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RAILROAD COMMISSION OF TEXAS

1701 NORTH CONGRESS AVENUE

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OIL AND GAS DIVISION

September 14, 2022

PDEH LLC
600 W ILLINOIS AVE
MIDLAND, TX 79701

RE: Drilling Permit Number: 883732
Lease Name: UL 20 PADDLE TAIL D
Well Number: 553H
Field: PHANTOM (WOLFCAMP)
Sec: 5 Blk: 20 Survey: UL
County: LOVING
API Number: 42-301-36081

The Railroad Commission is unable to process your Drilling Permit application for the reasons listed below.

Please refer all questions and/or resolutions to the following email address: problemw-1s@rrc.texas.gov. Please review your W-1 and take the appropriate action to resolve all problems.

1. A problem has been identified with your filing. See additional comments for a more detailed explanation.

There are two issues in this email pertaining to the PHANTOM (WOLFCAMP) P-16, only:

- 1) Please verify if PDEH now controls Chesapeake's existing pooled unit. A comment states that the pooled unit is being dissolved, however, it does not address whether or not PDEH now controls that acreage. Please advise.
- 2) Please add the following API numbers to Section VI of the P-16. These wells had applications submitted before this one, and are showing production in TRact 42: 301-36075, 36076, and 36074.

Please advise regarding #1, and submit a revised Phantom(Wolfcamp) P-16 for #2.

All work on this application will be suspended until all questions have been answered and/or questions submitted via email address provided.

(512) 463-6751

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