

API No. <u>42-317-44621</u> Drilling Permit # <u>883114</u> SWR Exception Case/Docket No. <u>0336562</u> (R37)		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. <u>217012</u>		2. Operator's Name (as shown on form P-5, Organization Report) DIAMONDBACK E&P LLC		3. Operator Address (include street, city, state, zip): 500 W TEXAS AVE STE 1200 MIDLAND, TX 79701-4203		
4. Lease Name UL ADDIE 41-27 A		5. Well No. <u>1JM</u>				
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 <u>13000</u>		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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>08</u>		12. County MARTIN		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>33.1</u> miles in a <u>NE</u> direction from <u>STANTON</u> which is the nearest town in the county of the well site.						
15. Section <u>41</u>	16. Block <u>6</u>	17. Survey <u>UL</u>	18. Abstract No. <u>A-</u>	19. Distance to nearest lease line: ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>880</u>	
21. Lease Perpendiculars: <u>1578</u> ft from the <u>EAST</u> line and <u>1723</u> ft from the <u>SOUTH</u> line. 22. Survey Perpendiculars: <u>1578</u> ft from the <u>EAST</u> line and <u>1723</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.	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	85280300	SPRABERRY (TREND AREA)	Oil or Gas Well	13000	1.00	
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. Suzanne Dorchester, Regulatory Analyst <div style="text-align: center;">II</div> <div style="display: flex; justify-content: space-between;"> <div> Name of filer <u>(432)2217433</u> Phone </div> <div> Date submitted <u>Aug 17, 2022</u> E-mail Address (OPTIONAL) <u>SDorchester@DiamondbackEnergy.com</u> </div> </div>			
RRC Use Only						
Data Validation Time Stamp: Sep 19, 2022 2:27 PM(Current Version)						

Permit Status:	Approved
<i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>	

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Form W-1H 07/2004
Supplemental Horizontal Well Information

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

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Permit #	883114
Approved Date:	Sep 16, 2022

1. RRC Operator No. 217012	2. Operator's Name (exactly as shown on form P-5, Organization Report) DIAMONDBACK E&P LLC	3. Lease Name UL ADDIE 41-27 A	4. Well No. 1JM
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 27	7. Block 6	8. Survey UL	9. Abstract
		10. County of BHL MARTIN	
11. Terminus Lease Line Perpendiculars 858 ft. from the EAST line. and 50 ft. from the North line			
12. Terminus Survey Line Perpendiculars 858 ft. from the EAST line. and 50 ft. from the North line			
13. Penetration Point Lease Line Perpendiculars 1578 ft. from the East line. and 1723 ft. from the SOUTH line			

Permit Status: **Approved**

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

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W-1 Comments

Permit # **883114**

Approved Date: **Sep 16, 2022**

[Aug 15, 2022 10:28 AM]: 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.; [FILER Aug 16, 2022 4:34 PM]: The depths listed on this application are for regulatory purposes only and meant to satisfy a new regulatory requirement without delaying permitting and operations. These depths provided are an approximation and do not reflect or impact the actual depths held under the applicable agreements. The depths held may change over time for reasons including, but not limited to, contractual provisions, well control, and changes in applicable field rules.
NO RULE 38 - PLEASE SEE P16

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

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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 883114	DATE PERMIT ISSUED OR AMENDED Sep 16, 2022	DISTRICT * 08
API NUMBER 42-317-44621	FORM W-1 RECEIVED Aug 17, 2022	COUNTY MARTIN
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 880
OPERATOR DIAMONDBACK E&P LLC 500 W TEXAS AVE STE 1200 MIDLAND, TX 79701-4203		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 ADDIE 41-27 A		WELL NUMBER 1JM
LOCATION 33.1 miles NE direction from STANTON		TOTAL DEPTH 13000
Section, Block and/or Survey SECTION 41 BLOCK 6 ABSTRACT SURVEY UL		
DISTANCE TO SURVEY LINES 1578 ft. EAST 1723 ft. SOUTH		DISTANCE TO NEAREST LEASE LINE ft.
DISTANCE TO LEASE LINES 1578 ft. EAST 1723 ft. SOUTH		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p> <p align="center">** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(A) **</p> <p align="center">CASE NO. 0336562</p>		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
WELL # DIST 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**

MARTIN (317) County

Formation	Remarks	Geological Order	Effective Date
SANTA ROSA		1	02/09/2020
YATES		2	02/09/2020
QUEEN		3	02/09/2020
GRAYBURG		4	02/09/2020
SAN ANDRES	active CO2 flood; high flows; H2S; corrosive	5	02/09/2020
SPRABERRY		6	02/09/2020
DEAN		7	02/09/2020
WOLFCAMP		8	02/09/2020
CISCO		9	02/09/2020
PENNSYLVANIAN		10	02/09/2020
STRAWN		11	02/09/2020
MISSISSIPPIAN		12	02/09/2020
DEVONIAN		13	02/09/2020
SILURIAN		14	02/09/2020
FUSSELMAN		15	02/09/2020
ELLENBURGER		16	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		17	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 PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 20 September 2022**GAU Number:** 355825**Attention:** DIAMONDBACK E&P LLC
500 W TEXAS AVE STE 1200
MIDLAND, TX 79701**API Number:** 31744621
County: MARTIN
Lease Name: UL ADDIE 41-27 A**Operator No.:** 217012**Lease Number:**
Well Number: 1JM
Total Vertical 13000
Latitude: 32.460836
Longitude: -102.199033
Datum: NAD27**Purpose:** New Production Well**Location:** Survey-UL; Abstract-U10; Block-6; Section-41

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 350 feet must be protected.

This recommendation is applicable for all wells drilled in this Section-41.

Note: Unless stated otherwise, this recommendation is intended to apply to all wells drilled within 200 feet of the subject well. 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 09/19/2022. 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

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

