

API No. <u>42-383-40619</u> Drilling Permit # <u>852545</u> SWR Exception Case/Docket No. <u>0319874</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>742251</u>		2. Operator's Name (as shown on form P-5, Organization Report) SABLE PERMIAN RESOURCES, LLC		3. Operator Address (include street, city, state, zip): 700 MILAM STREET SUITE 3100 HOUSTON, TX 77002-0000			
4. Lease Name UNIVERSITY OWENS 1-6 ALLOC 33		5. Well No. 33HK					
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 checked="" 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>9000</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>7C</u>		12. County REAGAN		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>8.43</u> miles in a <u>NW</u> direction from <u>BARNHART</u> which is the nearest town in the county of the well site.							
15. Section <u>235</u>		16. Block <u>1</u>		17. Survey T&P RR CO		18. Abstract No. <u>A-576</u>	
				19. Distance to nearest lease line: <u>1</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1740.5</u>	
21. Lease Perpendiculars: <u>745</u> ft from the <u>S</u> line and <u>610</u> ft from the <u>E</u> line. 22. Survey Perpendiculars: <u>745</u> ft from the <u>S</u> line and <u>610</u> ft from the <u>E</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	
7C	53613750	LIN (WOLFCAMP)		Oil or Gas Well	7500	530.00	
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. Brenda Hoffman, Senior Regulatory Specialist Name of filer _____ Date submitted <u>May 06, 2019</u> <u>(713)5798049</u> <u>bhoffman@sableres.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: May 9, 2019 2:23 PM('As Approved' 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**

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

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Permit #	852545
Approved Date:	May 09, 2019

1. RRC Operator No. 742251	2. Operator's Name (exactly as shown on form P-5, Organization Report) SABLE PERMIAN RESOURCES, LLC	3. Lease Name UNIVERSITY OWENS 1-6 ALLOC 33	4. Well No. 33HK
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 LIN (WOLFCAMP) (Field # 53613750, RRC District 7C)			
6. Section 1	7. Block 84 48	8. Survey UL / A-U313	9. Abstract
		10. County of BHL REAGAN	
11. Terminus Lease Line Perpendiculars 15 ft. from the S line. and 740 ft. from the E line			
12. Terminus Survey Line Perpendiculars 15 ft. from the S line. and 740 ft. from the E line			
13. Penetration Point Lease Line Perpendiculars 15 ft. from the N line. and 4527 ft. from the E line			

Permit Status: **Approved**

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W-1 Comments

Permit # **852545**

Approved Date: **May 09, 2019**

[May 6, 2019 7:40 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 May 6, 2019 7:41 AM]: AMEND SHL

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 852545	DATE PERMIT ISSUED OR AMENDED (AMENDED) May 09, 2019	DISTRICT * 7C
API NUMBER 42-383-40619	FORM W-1 RECEIVED May 06, 2019	COUNTY REAGAN
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 1740.5
OPERATOR SABLE PERMIAN RESOURCES, LLC 700 MILAM STREET SUITE 3100 HOUSTON, TX 77002-0000		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: (325) 657-7450
LEASE NAME UNIVERSITY OWENS 1-6 ALLOC 33		WELL NUMBER 33HK
LOCATION 8.43 miles NW direction from BARNHART		TOTAL DEPTH 9000
Section, Block and/or Survey SECTION ◀ 235 BLOCK ◀ 1 ABSTRACT ◀ 576 SURVEY ◀ T&P RR CO		
DISTANCE TO SURVEY LINES 745 ft. S 610 ft. E		DISTANCE TO NEAREST LEASE LINE 1 ft.
DISTANCE TO LEASE LINES 745 ft. S 610 ft. E		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)(B) **</p> <p align="center">CASE NO. 0319874</p>		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
-----	-----	-----
** LIN (WOLFCAMP)	1740.50	7,500
UNIVERSITY OWENS 1-6 ALLOC 33	1	33HK
		530

WELLBORE PROFILE(s) FOR FIELD: Horizontal		

RESTRICTIONS: Lateral: TH1 Penetration Point Location Lease Lines: 15.0 F N L 4527.0 F E L Terminus Location BH County: REAGAN Section: 1 Block: 84 Abstract: Survey: UL / A-U313 Lease Lines: 15.0 F S L 740.0 F E L Survey Lines: 15.0 F S L 740.0 F E L		
' ** ' PRECEDING FIELD NAME INDICATES RULE (R37)		
<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>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.</p>		

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;">852545</div>	DATE PERMIT ISSUED OR AMENDED (AMENDED) May 09, 2019	DISTRICT <div style="text-align: center;">* 7C</div>
API NUMBER <div style="text-align: right;">42-383-40619</div>	FORM W-1 RECEIVED <div style="text-align: center;">May 06, 2019</div>	COUNTY <div style="text-align: center;">REAGAN</div>
TYPE OF OPERATION <div style="text-align: center;">NEW DRILL</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Horizontal</div>	ACRES <div style="text-align: center;">1740.5</div>
OPERATOR <div style="text-align: right;">742251</div> <div style="text-align: center;"> SABLE PERMIAN RESOURCES, LLC 700 MILAM STREET SUITE 3100 HOUSTON, TX 77002-0000 </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;">(325) 657-7450</div>
LEASE NAME <div style="text-align: center;">UNIVERSITY OWENS 1-6 ALLOC 33</div>		WELL NUMBER <div style="text-align: center;">33HK</div>
LOCATION <div style="text-align: center;">8.43 miles NW direction from BARNHART</div>		TOTAL DEPTH <div style="text-align: center;">9000</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION 235</div> <div>BLOCK 1</div> <div>ABSTRACT 576</div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY T&P RR CO</div> </div>		
DISTANCE TO SURVEY LINES <div style="text-align: center;">745 ft. S 610 ft. E</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">1 ft.</div>
DISTANCE TO LEASE LINES <div style="text-align: center;">745 ft. S 610 ft. E</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 * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0319874 </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> FIELD NAME LEASE NAME </div> <div> ACRES NEAREST LEASE </div> <div> DEPTH NEAREST WE </div> <div> WELL # NEAREST WE </div> <div> DIST </div> </div> <p>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.</p>		

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

REAGAN (383) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
GRAYBURG	1,500	2,500		1	12/17/2013
QUEEN	1,900	2,500		2	12/17/2013
SAN ANDRES	2,000	5,000	saltwater flow, possibly heavy	3	12/17/2013
CLEARFORK	3,300	4,000		4	12/17/2013
SPRABERRY	3,300	10,000		5	12/17/2013
STRAWN	9,300	10,200		6	12/17/2013
FUSSELMAN	8,800	11,000		7	12/17/2013
ELLENBURGER	8,700	10,500		8	12/17/2013

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>

NAD 27, Central Zone 4203

Surface Hole Location (Sec. 235)
Latitude = 31.162229° N
Longitude = 101.302296° W
X = 1696938.77
Y = 545233.17
Elev. = 2702'
745' FSL & 610' FEL

Point of Penetration (Sec. 6)
Latitude = 31.160155° N
Longitude = 101.303389° W
X = 1696590.41
Y = 544481.89
15' FNL & 4527' FEL

First Take Point (Sec. 6)
Latitude = 31.159921° N
Longitude = 101.303393° W
X = 1696588.45
Y = 544396.92
100' FNL & 4527' FEL

Last Take Point (Sec. 1)
Latitude = 31.132250° N
Longitude = 101.303857° W
X = 1696355.64
Y = 534334.61
100' FSL & 738' FEL

Bottom Hole Location (Sec. 1)
Latitude = 31.132016° N
Longitude = 101.303860° W
X = 1696353.67
Y = 534249.62
15' FSL & 740' FEL

Lease Boundary Distance	
SHL	Off Lease
PP	15' FNL & 4527' FEL
FTP	100' FNL & 4527' FEL
LTP	100' FSL & 738' FEL
BHL	15' FSL & 740' FEL

H. E. & W. T. R. R. Co. Survey, A-218
SECTION 5

S 89°56'56" E, 52.42'

UNIVERSITY LANDS
BLOCK 48, SECTION 2

UNIVERSITY LANDS
BLOCK 48, SECTION 9

UNIVERSITY LANDS
BLOCK 48, SECTION 10

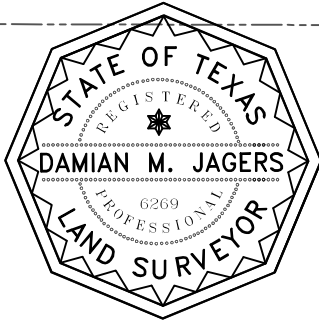
UNIVERSITY LANDS
BLOCK 43, SECTION 6

SABLE
PERMIAN RESOURCES

Well Name
University Owens 1-6 Alloc 33 33HK
Drilling Field
LIN (WOLFCAMP) FIELD
Nearest Town
8.43 MILES NORTHWEST OF BARNHART, TEXAS

I, Damian M. Jagers do hereby certify that the above
described well plat was created from a survey made
on the ground under my supervision, as shown.

Damian M. Jagers 5/6/2019
DAMIAN M. JAGERS DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6269



NOTE: This Plat does not, in anyway represent a "Boundary Survey", and
does not comply with the current T.B.P.L.S. Minimum Standards of
Procedures for Boundary Survey. Shown Acreages were furnished by others.
The information contained on this plat is intended for the sole use of
SABLE PERMIAN RESOURCES LAND,LLC.

NOTE: Bearings and coordinates refer to the Texas Coordinate System
of 1927, Central Zone (4203), as observed by GPS observations.

Tract No.	Lessor	Called Acreage
1	Tom Bloxom	1074.6
2	State of Texas	665.9
Total		1740.5

XTS
CROSS TIMBERS SURVEYING, LLC
1503 Dartmouth St., Longview Tx. 75601
Phone: 254-965-8686 Fax: 254-969-5715
www.xtsurvey.com

Well Plat
for
Sable Permian Resources Land,LLC

University Owens 1-6 Alloc 33 33HK
T. & P. R. R. Co. Survey, A-576 // Block 1, Sec. 235
H. E. & W. T. R. R. Co. Survey, A-884 // Section 6
University Lands Block 48, Section 1
Reagan County, Texas