

API No. <u>42-475-37122</u> Drilling Permit # <u>817814</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. 276868		2. Operator's Name (as shown on form P-5, Organization Report) FORGE ENERGY, LLC		3. Operator Address (include street, city, state, zip): 10999 IH 10 WEST SUITE 900 SAN ANTONIO, TX 78230-0000			
4. Lease Name UL 18 DYK		5. Well No. 1H					
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 13000		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 WARD		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</u> miles in a <u>NW</u> direction from <u>Pyote</u> which is the nearest town in the county of the well site.							
15. Section 18		16. Block 18		17. Survey UL		18. Abstract No. A-U98	
				19. Distance to nearest lease line: 200 ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: 480.53	
21. Lease Perpendiculars: <u>259</u> ft from the <u>SOUTH</u> line and <u>472</u> ft from the <u>WEST</u> line. 22. Survey Perpendiculars: <u>259</u> ft from the <u>SOUTH</u> line and <u>472</u> ft from the <u>WEST</u> line.							
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		24. Unitization Docket No: P-12		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	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	13000	0.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks [RRC STAFF Aug 17, 2016 2:56 PM]: Changed BHL survey line call to match plat.; [RRC STAFF Aug 17, 2016 4:11 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 18, 2016 8:07 AM]: Problems identified with this permit are resolved.; [RRC STAFF Aug 18, 2016 8:15 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 18, 2016 9:29 AM]: Problems identified with this permit are resolved.				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>Katrina Boyd, Operations Assistant</u> Name of filer <u>(432)5241301</u> Phone </div> <div> <u>Aug 17, 2016</u> Date submitted <u>kboyd@forgenergy.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Aug 30, 2016 9:46 AM(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

*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.*

Permit #	817814
Approved Date:	Aug 18, 2016

1. RRC Operator No. 276868	2. Operator's Name (exactly as shown on form P-5, Organization Report) FORGE ENERGY, LLC	3. Lease Name UL 18 DYK	4. Well No. 1H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 19	7. Block 18	8. Survey UL / A-U98	9. Abstract
		10. County of BHL WARD	
11. Terminus Lease Line Perpendiculars 200 ft. from the North line. and 467 ft. from the West line			
12. Terminus Survey Line Perpendiculars 2442 ft. from the S line. and 467 ft. from the West line			
13. Penetration Point Lease Line Perpendiculars 259 ft. from the South line. and 472 ft. from the West 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 <div align="center">817814</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Aug 18, 2016</div>	DISTRICT <div align="center">* 08</div>																																																			
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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

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<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> <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**

WARD (475) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	1,700	1,700		1	12/17/2013
YATES	2,000	2,800		2	12/17/2013
SEVEN RIVERS	2,375	2,375		3	12/17/2013
QUEEN	2,200	3,200		4	12/17/2013
GLORIETA	3,900	4,000		5	12/17/2013
SAN ANDRES	2,000	4,500	high flows, H2S, corrosive	6	12/17/2013
HOLT	4,600	4,800		7	12/17/2013
CLEARFORK	4,500	5,000		8	12/17/2013
DELAWARE	2,300	5,000		9	12/17/2013
TUBB	4,600	5,300		10	12/17/2013
WICHITA ALBANY	6,000	6,200		11	12/17/2013
CHERRY CANYON	4,800	7,800		12	12/17/2013
WADDELL	7,600	9,700		13	12/17/2013
BONE SPRINGS	4,700	9,800		14	12/17/2013
WOLFCAMP	6,000	12,750		15	12/17/2013
MONTOYA	14,500	14,500		16	12/17/2013
PENNSYLVANIAN	7,500	14,900		17	12/17/2013
ATOKA	12,000	15,000		18	12/17/2013
FUSSELMAN	6,400	17,500		19	12/17/2013
DEVONIAN	6,200	17,800		20	12/17/2013
ELLENBURGER	7,900	20,800		21	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>

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 22 August 2016**GAU Number:** 158931**Attention:** FORGE ENERGY, LLC
10999 IH 10 WEST SUITE 900
SAN ANTONIO, TX 78230**API Number:** 47537122
County: WARD
Lease Name: UL 18 DYK**Operator No.:** 276868**Lease Number:**
Well Number: 1H
Total Vertical Depth: 13000
Latitude: 31.542401
Longitude: -103.255691
Datum: NAD27**Purpose:** New Drill**Location:** Survey-UL; Abstract-U97; Block-18; Section-18

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.

Please send Gamma Ray/Porosity log of this well when it is available.

This recommendation is applicable for all wells drilled in this Section 18 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 for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 08/22/2016. 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



0 500 1000
1" = 1000 FEET

UNIVERSITY LANDS
SECTION 19, BLOCK 18

UNIVERSITY LANDS
SECTION 14, BLOCK 18

UNIVERSITY LANDS
SECTION 15, BLOCK 18

UNIVERSITY LANDS
SECTION 18, BLOCK 18

LEASE #115760
160.175 ACRES

LEASE #115759
320.350 ACRES

LINE	BEARING	DISTANCE
L1	N 17°07'49" W	300.04'
L2	N 16°16'37" W	7166.92'

TOTAL LENGTH = 7,466.96 FEET OR 452.54 RODS

A.J. WILSON
A-806
SECTION 38

FTP
Y = 694,431.36
X = 1,089,615.35
LAT. = 31.54331° N
LONG. = 103.25644° W

SURFACE HOLE LOCATION/PP
DYK #1H
Y = 694,144.83
X = 1,089,703.73
LAT. = 31.54240° N
LONG. = 103.25660° W
ELEV. 2716'

A.J. WILSON
A-805
SECTION 37

GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM OF NAD 27, TEXAS CENTRAL ZONE, 4203.
- VERTICAL DATUM IS NAVD 88.
- LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN.
- AREA, DISTANCES, AND COORDINATES ARE "GRID".
- UNITS ARE UNITED STATES SURVEY FOOT.
- ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT SURFACE
LOCATION AS STAKED ON THE GROUND.
**PRELIMINARY, THIS DOCUMENT SHALL NOT
BE RECORDED FOR ANY PURPOSE AND
SHALL NOT BE USED OR VIEWED OR RELIED
UPON AS A FINAL SURVEY DOCUMENT**

MARK DILLON HARP
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6445

PLAT OF:
A PROPOSED WELL LOCATION FOR:
FORGE ENERGY
DYK #1H

SITUATED IN THE W.L. DOWNING SURVEY, SECTION 18, BLOCK 18 AND THE W.L. DOWNING SURVEY, SECTION 19, BLOCK 18 AND BEING APPROXIMATELY 8.0 MILES NORTHWEST OF PYOTE IN WINKLER COUNTY, TEXAS.

FSC INC
SURVEYORS+ENGINEERS

550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPE Firm 17957 | TBPLS Firm 10193887
www.fscinc.net

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DATE: 08/16/16
DRAWN BY: AP/RP
CHECKED BY: AP
FIELD CREW: MC/MR
PROJECT NO: 2016080634
SCALE: 1" = 1000'
SHEET: 1
REVISION: 0