

API No. <u>42-475-37934</u> Drilling Permit # <u>854196</u> SWR Exception Case/Docket No. <u>0320895 (R37)</u>	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
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1. RRC Operator No. 148113	2. Operator's Name (as shown on form P-5, Organization Report) CHEVRON U. S. A. INC.	3. Operator Address (include street, city, state, zip): 6301 DEAUVILLE BLVD MIDLAND, TX 79706-0000
4. Lease Name WAR UNIVERSITY 18 22/24 D		5. Well No. 0025WA

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 12000	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>10.03</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 22	16. Block 18	17. Survey UL	18. Abstract No. A-U101	19. Distance to nearest lease line: 1 ft.
20. Number of contiguous acres in lease, pooled unit, or unitized tract: 641.06				
21. Lease Perpendiculars: <u>464</u> ft from the <u>N</u> line and <u>1450</u> ft from the <u>E</u> line.				
22. Survey Perpendiculars: <u>464</u> ft from the <u>N</u> line and <u>1450</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	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12000	229.00	5

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. <u>Luis Aceves, Regulatory Specialist</u> <u>Jun 13, 2019</u> Name of filer Date submitted <u>(432)6877167</u> <u>luisaceves@chevron.com</u> Phone E-mail Address (OPTIONAL)
RRC Use Only Data Validation Time Stamp: Jun 17, 2019 1:12 PM('As Approved' Version)	

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

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

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

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Permit # **854196**
Approved Date: **Jun 17, 2019**

1. RRC Operator No. 148113	2. Operator's Name (exactly as shown on form P-5, Organization Report) CHEVRON U. S. A. INC.	3. Lease Name WAR UNIVERSITY 18 22/24 D	4. Well No. 0025WA
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)**

6. Section 24	7. Block 18	8. Survey UL	9. Abstract 103	10. County of BHL WARD
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11. Terminus Lease Line Perpendiculars 25 ft. from the N line. and 450 ft. from the E line
12. Terminus Survey Line Perpendiculars 25 ft. from the N line. and 450 ft. from the E line
13. Penetration Point Lease Line Perpendiculars 100 ft. from the S line. and 450 ft. from the E line

Permit Status: **Approved**

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

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

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W-1 Comments

Permit # **854196**

Approved Date: **Jun 17, 2019**

[Jun 13, 2019 3:29 PM]: 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 Jun 13, 2019 3:38 PM]: NEW DRILL. ALLOCATION WELL.; [RRC STAFF Jun 14, 2019 8:09 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2019 1:34 PM]: Revised plat and P-16 attached reflecting lease name change per Luis Aceves.; [RRC STAFF Jun 14, 2019 1:34 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 17, 2019 10:57 AM]: Changed lease name on W-1 to reflect attached documents.

**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:	18 June 2019	GAU Number:	243991
Attention:	CHEVRON U. S. A. INC. 6301 DEAUVILLE BLVD MIDLAND, TX 79706	API Number:	47537924
Operator No.:	148113	County:	WARD
		Lease Name:	WAR UNIVERSITY 18 22/24
		Lease Number:	
		Well Number:	0021WA
		Total Vertical Depth:	12000
		Latitude:	31.612426
		Longitude:	-103.270923
		Datum:	NAD27

Purpose: New Production Well
Location: Survey-UL; Abstract-U101; Block-18; Section-22

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 the base of the Alluvium, which is estimated to occur at a depth of 425 feet, must be protected.

This recommendation is applicable to all wells within a radius of 2000 feet of this location.

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

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. 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 06/14/2019. 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

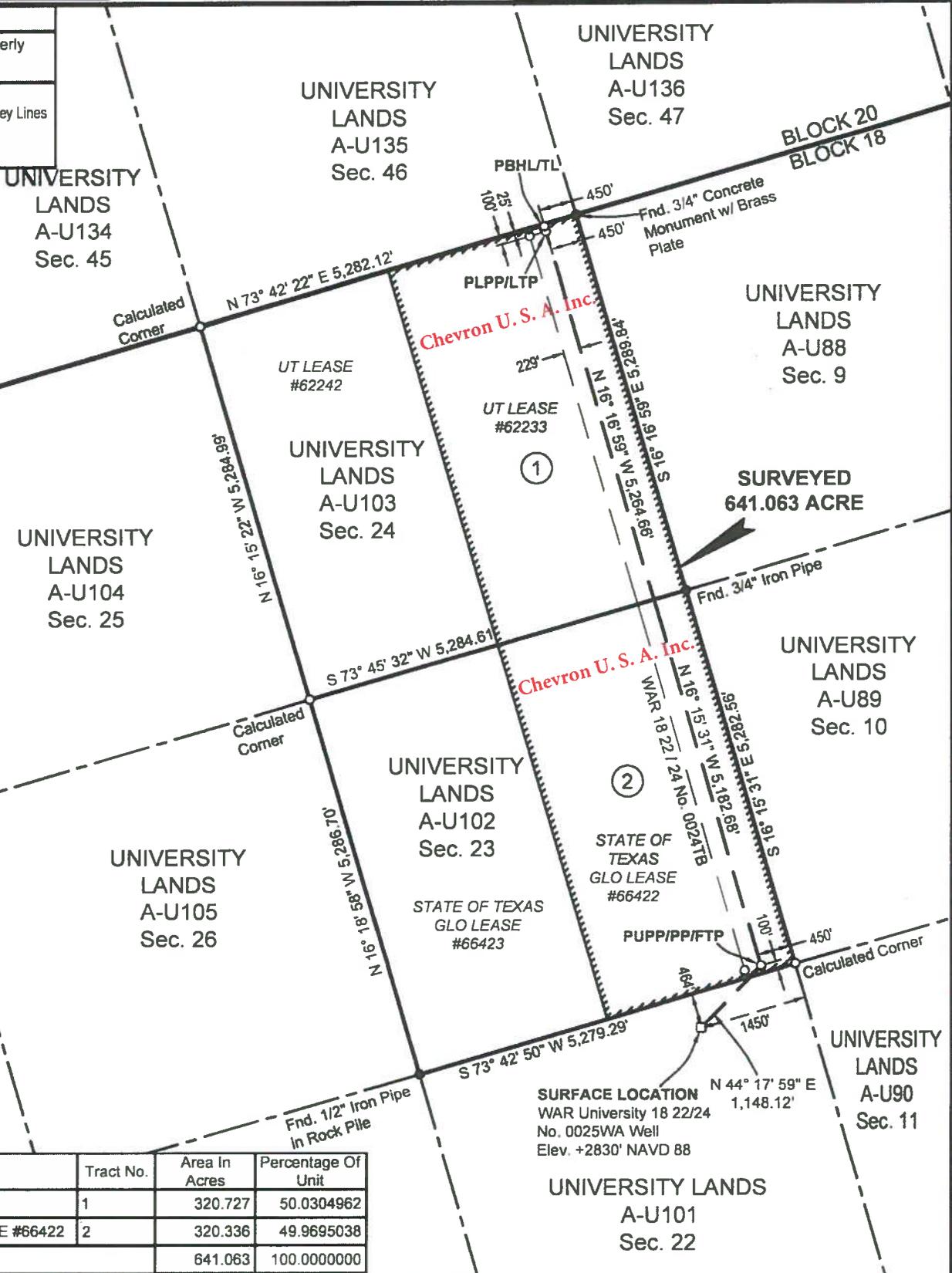
Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
 Rev. 02/2014

NOTE
Approx. 10.03 Miles Northwesterly From "PYOTE, TEXAS"

LEGEND
--- Approximate Survey Lines
— Lease Lines
▨ Unit Lines

WAR UNIVERSITY 18 22/24 D NO. 0025WA WELL

X= 1,085,729 Y= 719,761 LAT. 31.612510 N LONG. 103.270617 W	NAD 27
X= 1,382,194 Y= 10,562,337 LAT. 31.612642 N LONG. 103.271062 W	NAD83/86
PUPP/PP/FTP	
X= 1,086,531 Y= 720,583 LAT. 31.614827 N LONG. 103.268111 W	NAD 27
X= 1,382,996 Y= 10,563,158 LAT. 31.614958 N LONG. 103.268557 W	NAD83/86
PLPP/LTP	
X= 1,083,625 Y= 730,539 LAT. 31.641979 N LONG. 103.278290 W	NAD 27
X= 1,380,090 Y= 10,573,115 LAT. 31.642110 N LONG. 103.278737 W	NAD83/86
PBHL/TL	
X= 1,083,604 Y= 730,611 LAT. 31.642176 N LONG. 103.278364 W	NAD 27
X= 1,380,069 Y= 10,573,187 LAT. 31.642306 N LONG. 103.278811 W	NAD83/86



Ownership	Tract No.	Area In Acres	Percentage Of Unit
UT LEASE #62233	1	320.727	50.0304962
STATE OF TEXAS GLO LEASE #66422	2	320.336	49.9695038
Total:		641.063	100.0000000

SURFACE LOCATION:	PUPP/PP/FTP:	PLPP/LTP:	PBHL/TL:
464' To North Survey Line	100' To South Survey Line	100' To North Survey Line	25' To North Survey Line
1450' To East Survey Line	450' To East Survey Line	450' To East Survey Line	450' To East Survey Line
464' To North Lease Line	100' To South Lease Line	100' To North Lease Line	25' To North Lease Line
1450' To East Lease Line	450' To East Lease Line	450' To East Lease Line	450' To East Lease Line
	100' To South Lease Line	100' To North Lease Line	25' To North Lease Line
	450' To East Lease Line	450' To East Lease Line	450' To East Lease Line

NOTES:

- This plat represents a survey made on the ground and meets the requirements for filing a well location plat with the Texas Railroad Commission and is intended solely for that purpose. Lease lines shown hereon were established from field measurements and record data. Mineral title shown hereon was furnished by Chevron U.S.A. Inc. and/or their agent(s). This plat does not meet the requirements for boundary surveys in the State of Texas.
- All bearings, distances, areas and coordinates refer to the Texas Coordinate System of 1927, Central Zone.



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PUPP= PROPOSED UPPER PERFORATION POINT
PLPP= PROPOSED LOWER PERFORATION POINT
PBHL= PROPOSED BOTTOM HOLE LOCATION

PP= PENETRATION POINT
FTP= FIRST TAKE POINT
LTP= LAST TAKE POINT
TL= TERMINUS LOCATION

FOR THE EXCLUSIVE USE OF
CHEVRON U.S.A. INC.
I, Rex R. Jones, Registered Professional
Land Surveyor, do hereby state this plat is true
and correct to the best of my knowledge.

Rex R. Jones
Rex R. Jones
Registration No. 6024

WELL LOCATION PLAT
CHEVRON U.S.A. INC.
WAR UNIVERSITY 18 22/24 D NO. 0025WA WELL
UNIVERSITY LANDS SURVEY, ABSTRACT NO. U101, SEC. 22, BLK 18
WARD COUNTY, TEXAS

REVISIONS				
DRAWN BY:	#	BY:	DATE:	DESCRIPTION:
PROJ. MGR.: DBM	1	RMB	05/17/2019	Added unit/tracts & updated well name
DATE: 04/02/2019	2	DMB	05/23/2019	Revise calls
FILENAME: T:\2019\2190158\DWG\WAR University 18 22 24 No. 0025WA RRC.dwg				