

API No. <u>42-475-38139</u> Drilling Permit # <u>863226</u> SWR Exception Case/Docket No. <u>0326371</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>617484</u>		2. Operator's Name (as shown on form P-5, Organization Report) OASIS PETROLEUM PERMIAN LLC		3. Operator Address (include street, city, state, zip): 1001 FANNIN STREET STE 1500 HOUSTON, TX 77002-0000			
4. Lease Name <u>UL JEFF F 17-34-5</u>		5. Well No. <u>6H</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>12600</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County <u>WARD</u>		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>7.9</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 <u>34</u>		16. Block <u>17</u>		17. Survey <u>UL</u>		18. Abstract No. <u>A-U73</u>	
				19. Distance to nearest lease line: <u>1</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>961.05</u>	
21. Lease Perpendiculars: <u>75</u> ft from the <u>EAST</u> line and <u>680</u> ft from the <u>SOUTH</u> line.							
22. Survey Perpendiculars: <u>75</u> ft from the <u>EAST</u> line and <u>680</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	71052900	PHANTOM (WOLFCAMP)		Oil or Gas Well	12600	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.			
				_____ Name of filer <u>Daniel Busch</u> <u>Apr 02, 2020</u> Date submitted			
RRC Use Only Data Validation Time Stamp: <u>Apr 7, 2020 12:21 PM(Current Version)</u>				<u>(713)770-6473</u> <u>dbusch@oasispetroleum.com</u> Phone E-mail Address (OPTIONAL)			

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 #	863226
Approved Date:	Apr 07, 2020

1. RRC Operator No. 617484	2. Operator's Name (exactly as shown on form P-5, Organization Report) OASIS PETROLEUM PERMIAN LLC	3. Lease Name UL JEFF F 17-34-5	4. Well No. 6H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)			
6. Section 5	7. Block 18	8. Survey UL / A-U84	9. Abstract
		10. County of BHL WARD	
11. Terminus Lease Line Perpendiculars 100 ft. from the West line. and 330 ft. from the South line			
12. Terminus Survey Line Perpendiculars 100 ft. from the West line. and 330 ft. from the South line			
13. Penetration Point Lease Line Perpendiculars 75 ft. from the East line. and 680 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 #	863226
Approved Date:	Apr 07, 2020

[Apr 2, 2020 3:11 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.; [RRC STAFF Apr 3, 2020 3:54 PM]: Number of wells revised from 13 to 14 per P16 and RRC records.; [RRC STAFF Apr 3, 2020 4:03 PM]: Distance to nearest lease line changed from 100' to 1' to per plat and allocation well bore profile.; [RRC STAFF Apr 6, 2020 11:00 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 7, 2020 11:17 AM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 7, 2020 11:17 AM]: Daniel Busch sent revised P16; [RRC STAFF Apr 7, 2020 11:17 AM]: WELL COUNT CORRECTED PER RRC RECORDS.

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">863226</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Apr 07, 2020</div>	DISTRICT <div align="center">* 08</div>			
API NUMBER <div align="center">42-475-38139</div>	FORM W-1 RECEIVED <div align="center">Apr 02, 2020</div>	COUNTY <div align="center">WARD</div>			
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Horizontal</div>	ACRES <div align="center">961.05</div>			
OPERATOR <div align="center"> OASIS PETROLEUM PERMIAN LLC 1001 FANNIN STREET STE 1500 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 align="center">(432) 684-5581</div>			
LEASE NAME <div align="center">UL JEFF F 17-34-5</div>		WELL NUMBER <div align="center">6H</div>			
LOCATION <div align="center">7.9 miles NW direction from PYOTE</div>		TOTAL DEPTH <div align="center">12600</div>			
Section, Block and/or Survey <div> SECTION ◀ 34 BLOCK ◀ 17 ABSTRACT ◀ U73 SURVEY ◀ UL </div>					
DISTANCE TO SURVEY LINES <div align="center">75 ft. EAST 680 ft. SOUTH</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">1 ft.</div>			
DISTANCE TO LEASE LINES <div align="center">75 ft. EAST 680 ft. SOUTH</div>		DISTANCE TO NEAREST WELL ON LEASE <div align="center">See FIELD(s) Below</div>			
FIELD(s) and LIMITATIONS: <div align="center"> * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0326371 </div>					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE	DIST NEAREST WE
** PHANTOM (WOLFCAMP) UL JEFF F 17-34-5		961.05 1	12,600 1	6H 1	08 1
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----					
RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production. Lateral: TH1 Penetration Point Location Lease Lines: 75.0 F EAST L 680.0 F SOUTH L Terminus Location BH County: WARD Section: 5 Block: 18 Abstract: Survey: UL / A-U84 Lease Lines: 100.0 F WEST L 330.0 F SOUTH L Survey Lines: 100.0 F WEST L 330.0 F SOUTH L					
' ** ' PRECEDING FIELD NAME INDICATES RULE (R37)					
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS					

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;">863226</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Apr 07, 2020</div>	DISTRICT <div style="text-align: center;">* 08</div>
API NUMBER <div style="text-align: right;">42-475-38139</div>	FORM W-1 RECEIVED <div style="text-align: center;">Apr 02, 2020</div>	COUNTY <div style="text-align: center;">WARD</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;">961.05</div>
OPERATOR <div style="text-align: right;">617484</div> <div style="text-align: center;">OASIS PETROLEUM PERMIAN LLC</div> <div style="text-align: center;">1001 FANNIN STREET STE 1500</div> <div style="text-align: center;">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;">(432) 684-5581</div>
LEASE NAME <div style="text-align: center;">UL JEFF F 17-34-5</div>		WELL NUMBER <div style="text-align: center;">6H</div>
LOCATION <div style="text-align: center;">7.9 miles NW direction from PYOTE</div>		TOTAL DEPTH <div style="text-align: center;">12600</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION ◀ 34</div> <div>BLOCK ◀ 17</div> <div>ABSTRACT ◀ U73</div> </div> <div style="display: flex; justify-content: space-between;"> <div>SURVEY ◀ UL</div> <div></div> <div></div> </div>		
DISTANCE TO SURVEY LINES <div style="text-align: center;">75 ft. EAST 680 ft. SOUTH</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">1 ft.</div>
DISTANCE TO LEASE LINES <div style="text-align: center;">75 ft. EAST 680 ft. SOUTH</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. 0326371 </div>		
<div style="display: flex; justify-content: space-between;"> <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 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> <p>The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.</p>		

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

WARD (475) County

Formation	Remarks	Geological Order	Effective Date
RUSTLER		1	02/09/2020
YATES		2	02/09/2020
SEVEN RIVERS		3	02/09/2020
QUEEN		4	02/09/2020
CAPITAN REEF	high flows	5	02/09/2020
SAN ANDRES	high flows, H2S, corrosive	6	02/09/2020
DELAWARE		7	02/09/2020
GLORIETA		8	02/09/2020
HOLT		9	02/09/2020
CLEARFORK		10	02/09/2020
TUBB		11	02/09/2020
CHERRY CANYON		12	02/09/2020
BONE SPRING		13	02/09/2020
WICHITA ALBANY		14	02/09/2020
WOLFCAMP		15	02/09/2020
PENNSYLVANIAN		16	02/09/2020
ATOKA		17	02/09/2020
DEVONIAN		18	02/09/2020
FUSSELMAN		19	02/09/2020
MONTOYA		20	02/09/2020
WADDELL		21	02/09/2020
ELLENBURGER		22	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		23	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: 07 April 2020**GAU Number:** 273703**Attention:** OASIS PETROLEUM PERMIAN
1001 FANNIN STREET STE
HOUSTON, TX 77002**Operator No.:** 617484**API Number:**
County: WARD
Lease Name: UL Jeff D 17-34-5
Lease Number:
Well Number: 4H
Total Vertical Depth: 12600
Latitude: 31.602438
Longitude: -103.208787
Datum: NAD27**Purpose:** New Production Well**Location:** Survey-University Land; Block-17; Section-34

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 Allurossa, which is estimated to occur at a depth of 950 feet, must be protected.

This recommendation is applicable to all wells within a radius of 200 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 04/02/2020. 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.

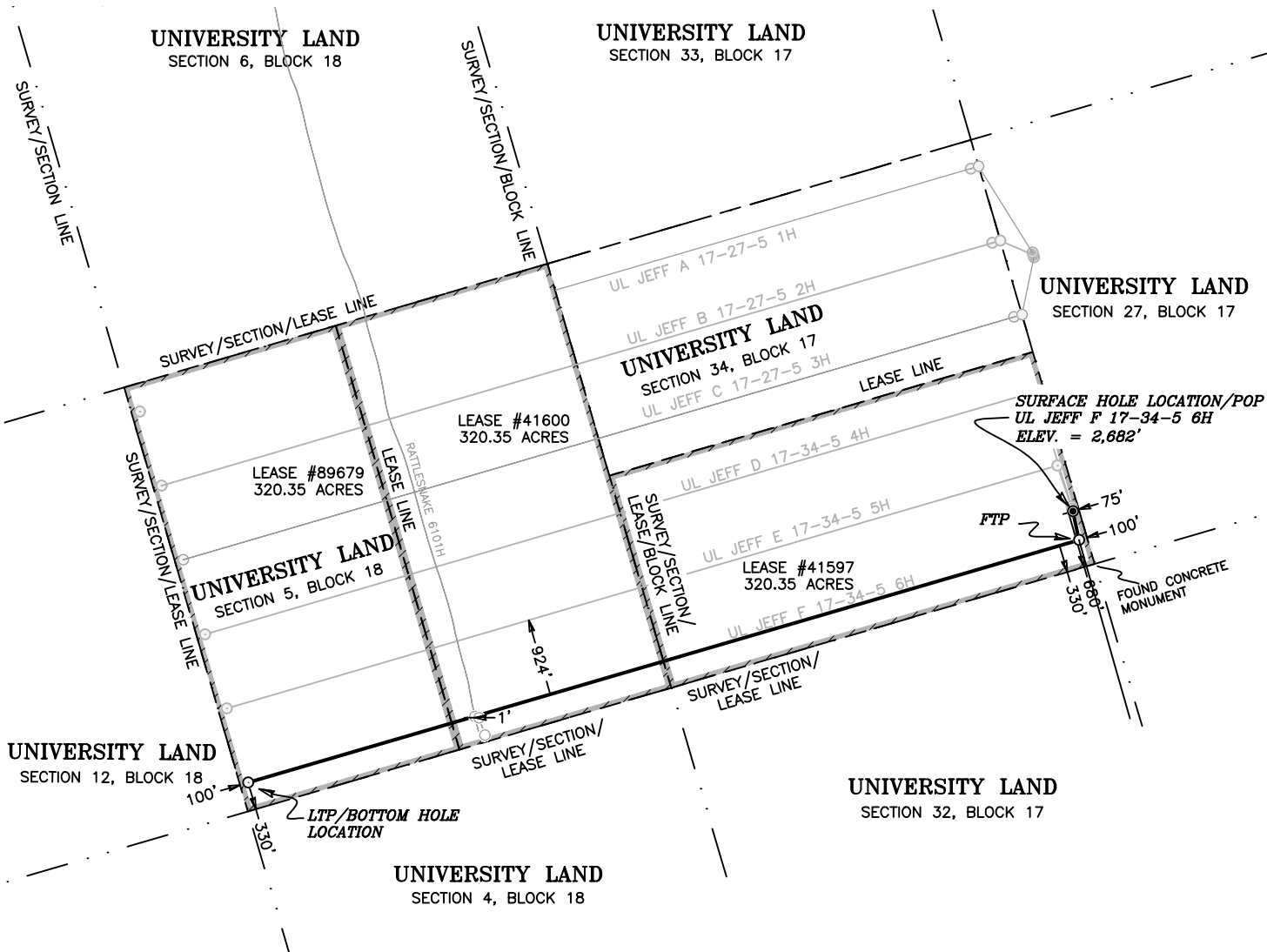
Groundwater Advisory Unit, Oil and Gas Division

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

LEASE #	CALLED ACREAGE	LATERAL LENGTH
41597	320.35	5,181.07'
41600	320.35	2,639.57'
89679	320.35	2,539.57'
TOTAL	961.05	10,360.21'



0 1000' 2000'
1" = 2000 FEET



LEGEND

— SURVEY LINE
- - - LEASE LINE

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".

WELL LOCATION INFORMATION:

SURFACE HOLE LOCATION/POP:

NAD 83, TEXAS CENTRAL ZONE COORD'S
Y = 10,558,114.37, X = 1,401,357.94
LAT: N 31.60249°, LONG: W 103.20920°
SHL: 75' FEL & 680' FSL
SHL: 75' FELL & 680' FSLL

BOTTOM HOLE LOCATION/LTP:

NAD 83, TEXAS CENTRAL ZONE COORD'S
Y = 10,554,865.23, X = 1,391,487.79
LAT: N 31.59278°, LONG: W 103.24059°
LTP/BHL: 100' FWL & 330' FSL
LTP/BHL: 100' FWLL & 330' FSLL

NAD 27, TEXAS CENTRAL ZONE COORD'S
Y = 715,538.80, X = 1,104,892.93
LAT: N 31.60228°, LONG: W 103.20873°

NAD 27, TEXAS CENTRAL ZONE COORD'S
Y = 712,289.69, X = 1,095,022.91
LAT: N 31.59265°, LONG: W 103.24014°

FIRST TAKE POINT:

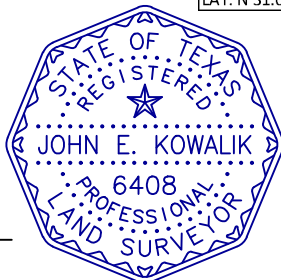
NAD 83, TEXAS CENTRAL ZONE COORD'S
Y = 10,557,771.44, X = 1,401,432.17
LAT: N 31.60148°, LONG: W 103.20890°
FT: 100' FELL & 330' FSLL

NAD 27, TEXAS CENTRAL ZONE COORD'S
Y = 715,195.88, X = 1,104,967.16
LAT: N 31.60135°, LONG: W 103.20846°

I HEREBY STATE THAT THIS PLAT
SHOWS THE SUBJECT SURFACE
LOCATION AS STAKED ON THE GROUND.

John E. Kowalik

JOHN E. KOWALIK
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6408



PLAT OF:

A PROPOSED WELL LOCATION FOR:
OASIS PETROLEUM PERMIAN LLC.
UL JEFF F 17-34-5 6H

SITUATED IN THE UNIVERSITY LANDS SURVEY, SECTION 5,
BLOCK 18, THE UNIVERSITY LANDS SURVEY, SECTION 34,
BLOCK 17, AND BEING APPROXIMATELY 7.9 MILES
NORTHWEST OF PYOTE IN WARD COUNTY, TEXAS.



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TBPE Firm 17957 | TBPLS Firm 10193887
www.fscinc.net

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DATE: 03-20-2020
DRAWN BY: GG
CHECKED BY: RS
FIELD CREW: MB
PROJECT NO: 2020030640
SCALE: 1" = 2000'
SHEET: 1
REVISION: 0