

API No. <u>42-495-34008</u> Drilling Permit # <u>833905</u> SWR Exception Case/Docket No. <u>0316478</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 UL 21 BIGHORN D 21-31-19		5. Well No. <u>5104H</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 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>12500</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 WINKLER		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</u> miles in a <u>SW</u> direction from <u>WINK</u> which is the nearest town in the county of the well site.							
15. Section <u>31</u>	16. Block <u>21</u>	17. Survey <u>UL</u>		18. Abstract No. <u>A-U71</u>	19. Distance to nearest lease line: <u>1</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>1281.4</u>	
21. Lease Perpendiculars: <u>331</u> ft from the <u>E (OFFLEASE)</u> line and <u>297</u> ft from the <u>N (OFFLEASE)</u> line. 22. Survey Perpendiculars: <u>331</u> ft from the <u>E (OFFLEASE)</u> line and <u>297</u> ft from the <u>N (OFFLEASE)</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	
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>		<u>Oil or Gas Well</u>	<u>12500</u>	<u>1547.00</u>	
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. <div style="display: flex; justify-content: space-between;"> <div> <u>Katrina Boyd</u> Name of filer </div> <div> <u>Nov 05, 2018</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(713)7706568</u> Phone </div> <div> <u>KBOYD@OASISPETROLEUM.COM</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Nov 19, 2018 10:33 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**

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

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Permit #	833905
Approved Date:	Nov 16, 2018

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 21 BIGHORN D 21-31-19	4. Well No. 5104H
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Lateral Drainhole Location Information

5. Field as shown on Form W-1	PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)
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6. Section 19	7. Block 21	8. Survey UL / A-U59	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 299 ft. from the EAST line. and 201 ft. from the NORTH line
12. Terminus Survey Line Perpendiculars 299 ft. from the EAST line. and 201 ft. from the NORTH line
13. Penetration Point Lease Line Perpendiculars 375 ft. from the E (offlease) line. and 341 ft. from the N (offlease) line

Permit Status: **Approved**

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W-1 Comments

Permit # **833905**

Approved Date: **Nov 16, 2018**

[Oct 16, 2018 8:30 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 Oct 31, 2018 2:24 PM]: Forge Energy originally filed for this permit and sent notice 11/2017. I was told by the permitting department that another notice wasn't necessary since we are just changing this from a pooled to an allocated well.; [RRC STAFF Nov 5, 2018 4:48 PM]: The notice reference in the operator's comment is an off-lease PoP notice, not a Rule exception notice.; [RRC STAFF Nov 6, 2018 8:34 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Nov 13, 2018 8:40 AM]: Problems identified with this permit are resolved.; [RRC STAFF Nov 13, 2018 8:41 AM]: Revised lease name and well number to match plat, revised P-16 attached.; [RRC STAFF Nov 13, 2018 12:00 PM]: Distance to nearest well corrected.; [RRC STAFF Nov 13, 2018 3:08 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Nov 16, 2018 3:38 PM]: Problems identified with this permit are resolved.; [RRC STAFF Nov 16, 2018 3:39 PM]: Kat Boyd sent revised plat.

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

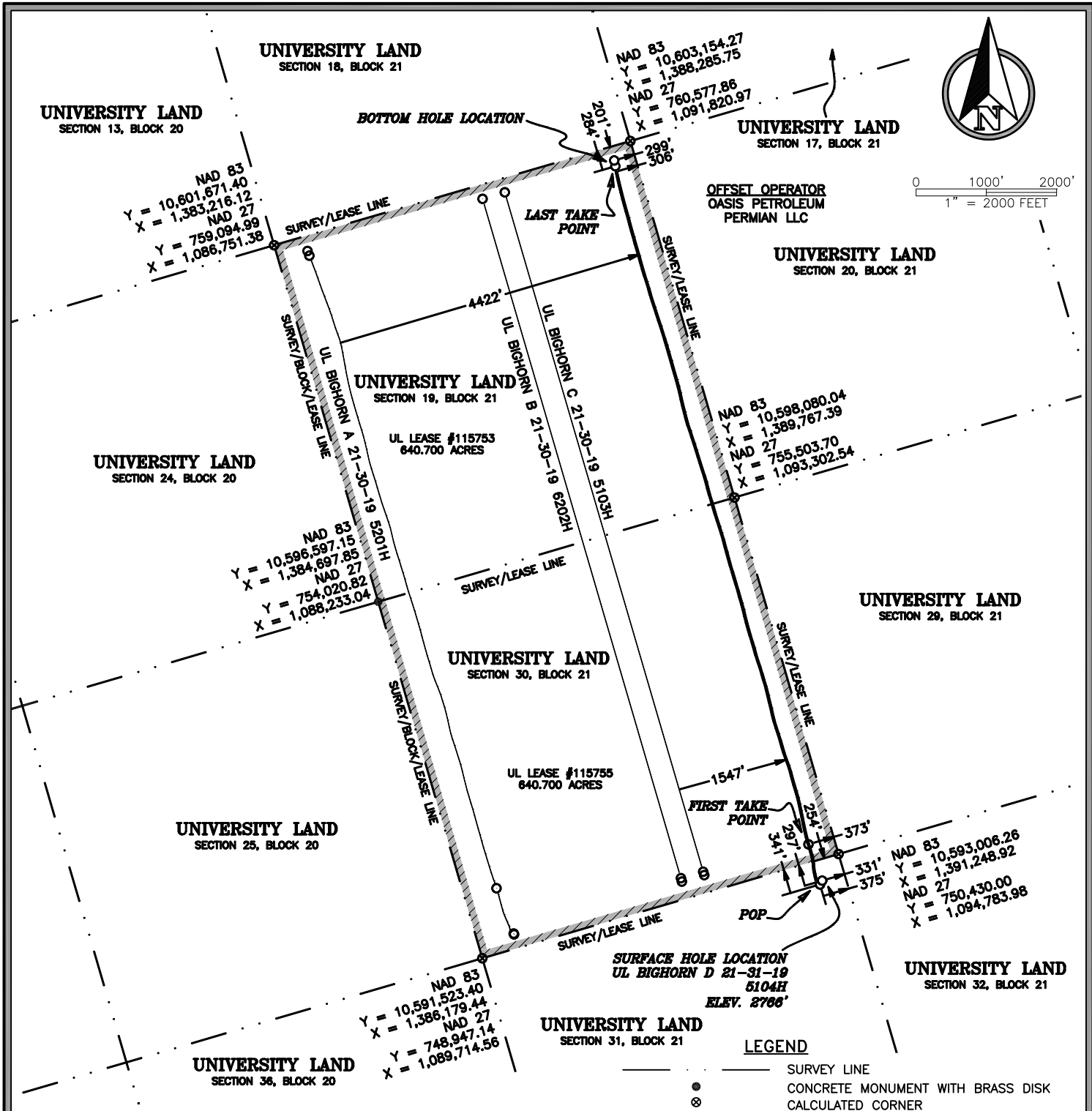
PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <div align="center">833905</div>	DATE PERMIT ISSUED OR AMENDED (AMENDED) Nov 16, 2018	DISTRICT <div align="center">* 08</div>			
API NUMBER <div align="center">42-495-34008</div>	FORM W-1 RECEIVED <div align="center">Nov 05, 2018</div>	COUNTY <div align="center">WINKLER</div>			
TYPE OF OPERATION <div align="center">NEW DRILL</div>	WELLBORE PROFILE(S) <div align="center">Horizontal</div>	ACRES <div align="center">1281.4</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 21 BIGHORN D 21-31-19</div>		WELL NUMBER <div align="center">5104H</div>			
LOCATION <div align="center">7 miles SW direction from WINK</div>		TOTAL DEPTH <div align="center">12500</div>			
Section, Block and/or Survey SECTION 31 BLOCK 21 ABSTRACT U71 SURVEY UL					
DISTANCE TO SURVEY LINES <div align="center">331 ft. E (OFFLEASE) 297 ft. N (OFFLEASE)</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">1 ft.</div>			
DISTANCE TO LEASE LINES <div align="center">331 ft. E (OFFLEASE) 297 ft. N (OFFLEASE)</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. 0316478 </div>					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
----- ** PHANTOM (WOLFCAMP) <div align="center">UL 21 BIGHORN D 21-31-19</div> -----		1281.40 1	12,500 	5104H 1547	08
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----					
RESTRICTIONS: If this well is drilled and completed, then acreage from existing wells will need to be reassigned in order to bring the lease/unit into compliance. 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: 375.0 F E (OFFLEASE) L 341.0 F N (OFFLEASE) L Terminus Location BH County: WINKLER Section: 19 Block: 21 Abstract: Survey: UL / A-U59 Lease Lines: 299.0 F EAST L 201.0 F NORTH L Survey Lines: 299.0 F EAST L 201.0 F NORTH L					

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OIL & GAS DIVISION

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

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API NUMBER <div style="text-align: right;">42-495-34008</div>	FORM W-1 RECEIVED <div style="text-align: center;">Nov 05, 2018</div>	COUNTY <div style="text-align: center;">WINKLER</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;">1281.4</div>
OPERATOR <div style="text-align: right;">617484</div> <div style="text-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: (432) 684-5581
LEASE NAME <div style="text-align: center;">UL 21 BIGHORN D 21-31-19</div>		WELL NUMBER <div style="text-align: center;">5104H</div>
LOCATION <div style="text-align: center;">7 miles SW direction from WINK</div>		TOTAL DEPTH <div style="text-align: center;">12500</div>
Section, Block and/or Survey <div style="display: flex; justify-content: space-between;"> <div>SECTION 31</div> <div>BLOCK 21</div> <div>ABSTRACT U71</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;">331 ft. E (OFFLEASE) 297 ft. N (OFFLEASE)</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">1 ft.</div>
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FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
WELL # NEAREST WE		
DIST 		
' * ' PRECEDING FIELD NAME INDICATES RULE (R37)		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS 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. 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. Currently there are no identified formations listed for this county. It is still the operators responsibility to isolate and report any potential flow zones that are encountered in the completion of this well.		



PLAT OF:
AN AS-DRILLED WELL LOCATION FOR:
OASIS PETROLEUM PERMIAN LLC.
UL BIGHORN D 21-31-19 5104H

SITUATED IN THE UNIVERSITY LAND, SECTION 19, BLOCK 21, SECTION 30, BLOCK 21, AND SECTION 31, BLOCK 21 BEING APPROXIMATELY 7.0 MILES SOUTHWEST OF WINK IN WINKLER COUNTY, TEXAS.

DATE: 11-14-2018
DRAWN BY: BC/RP/AP/CH
CHECKED BY: AP
FIELD CREW: RE-PH
PROJECT NO: 2017091638
SCALE: 1" = 2000'
SHEET: 1
REVISION: 1

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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