

API No. <u>42-495-34113</u> Drilling Permit # <u>838919</u> SWR Exception Case/Docket No. <u>0310894 (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
1. RRC Operator No. <u>617484</u>	2. Operator's Name (as shown on form P-5, Organization Report) <u>OASIS PETROLEUM PERMIAN LLC</u>	3. Operator Address (include street, city, state, zip): <u>1001 FANNIN STREET STE 1500</u> <u>HOUSTON, TX 77002-0000</u>
4. Lease Name <u>UL SUGARLOAF D 20-37-48</u>	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 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 <u>WINKLER</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>7.7</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>37</u>	16. Block <u>20</u>	17. Survey <u>UL</u>
	18. Abstract No. <u>A-U32</u>	19. Distance to nearest lease line: <u>1</u> ft.
20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>320.35</u>		
21. Lease Perpendiculars: <u>413</u> ft from the <u>EAST</u> line and <u>173</u> ft from the <u>NORTH</u> line.		
22. Survey Perpendiculars: <u>1733</u> ft from the <u>EAST</u> line and <u>173</u> ft from the <u>NORTH</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		
<u>08</u>	<u>71052900</u>	<u>PHANTOM (WOLFCAMP)</u>
<u>Oil or Gas Well</u>	<u>12500</u>	<u>400.00</u>
		<u>2</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. Caroline Hendrix, Regulatory Specialist II <u>Apr 16, 2018</u> Name of filer Date submitted <u>(281)404-9513</u> <u>chendrix@oasispetroleum.com</u> Phone E-mail Address (OPTIONAL)
RRC Use Only Data Validation Time Stamp: <u>Apr 24, 2018 7:28 AM(Current Version)</u>		

**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.

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

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Permit # **838919**
Approved Date: **Apr 23, 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 SUGARLOAF D 20-37-48	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)**

6. Section 48	7. Block 20	8. Survey UL / A-U137	9. Abstract	10. County of BHL WARD
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11. Terminus Lease Line Perpendiculars 591 ft. from the WEST line. and 50 ft. from the SOUTH line
12. Terminus Survey Line Perpendiculars 2051 ft. from the EAST line. and 50 ft. from the SOUTH line
13. Penetration Point Lease Line Perpendiculars 413 ft. from the EAST line. and 173 ft. from the NORTH line

Permit Status: **Approved**

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

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

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

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W-1 Comments

Permit # **838919**

Approved Date: **Apr 23, 2018**

[Apr 13, 2018 9:49 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 Apr 16, 2018 1:23 PM]: Oasis Petroleum Permian LLC has an exploratory well (UL Sugarloaf 20-37 #1P, drilling permit #834238) near the proposed SHL of this well.; [RRC STAFF Apr 19, 2018 11:21 AM]: Terminus survey info corrected per plat and nearest LL distance changed to 1' for this allocation.; [RRC STAFF Apr 20, 2018 5:16 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 23, 2018 5:45 PM]: Problems identified with this permit are resolved.

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

WINKLER (495) County

Formation	Shallow Top	Deep Top	Remarks	Geological Order	Effective Date
RUSTLER	725	725	possible flow; possible usable quality water	1	12/17/2013
COLBY-QUEEN	2,900	3,200		2	12/17/2013
YATES	2,280	3,200		3	12/17/2013
QUEEN-SEVEN RIVERS	2,700	3,400		4	12/17/2013
SAN ANDRES	3,600	4,400	high flows, H2S, corrosive	5	12/17/2013
HOLT	4,500	4,800		6	12/17/2013
DELAWARE	4,300	5,000		7	12/17/2013
GLORIETA	4,900	5,600		8	12/17/2013
CLEARFORK	4,750	6,200		9	12/17/2013
WICHITA ALBANY	6,600	6,850		10	12/17/2013
BRUSHY CANYON	7,300	7,300		11	12/17/2013
CHERRY CANYON	6,000	7,800		12	12/17/2013
CANYON	8,400	8,400		13	12/17/2013
BONE SPRINGS	9,000	9,800		14	12/17/2013
MONTOYA	10,300	10,300		15	12/17/2013
WADDELL	11,000	11,000		16	12/17/2013
WOLFCAMP	7,600	12,400		17	12/17/2013
ATOKA	12,900	12,900		18	12/17/2013
STRAWN	8,100	14,800		19	12/17/2013
PENNSYLVANIAN	8,000	15,500		20	12/17/2013
MISSISSIPPIAN	10,200	17,300		21	12/17/2013
DEVONIAN	7,900	17,800		22	12/17/2013
SILURIAN	8,500	18,000		23	12/17/2013
FUSSELMAN	9,700	18,800		24	12/17/2013
ELLENBURGER	9,500	21,400		25	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: 26 April 2018 **GAU Number:** 194304

Attention:	OASIS PETROLEUM PERMIAN 1001 FANNIN STREET STE HOUSTON, TX 77002	API Number:	
Operator No.:	617484	County:	WINKLER
		Lease Name:	UL SUGARLOAF D 20-37-48
		Lease Number:	
		Well Number:	5104H
		Total Vertical Depth:	12500
		Latitude:	31.677260
		Longitude:	-103.260223
		Datum:	NAD27

Purpose: New Drill
Location: Survey-UL; Block-20; Section-37

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 Allurosa, which is estimated to occur at a depth of 200 feet, must be protected.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

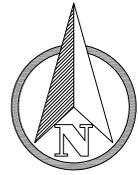
Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 04/18/2018. 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

UNIVERSITY LAND
SECTION 36, BLOCK 20



0 1000 2000
1" = 2000 FEET

UNIVERSITY LAND
SECTION 35, BLOCK 20

SURFACE HOLE LOCATION/POP
UL SUGARLOAF D 20-37-48 #5104H
ELEV. = 2,761'

OPERATED BY OASIS
PETROLEUM PERMIAN LLC

UNIVERSITY LAND
SECTION 42, BLOCK 21

UNIVERSITY LAND
SECTION 38, BLOCK 20

TRACT 1	UL LEASE #117927	160.175 ACRES
TRACT 2	UL LEASE #117928	160.175 ACRES

320.35 TOTAL
LEASED ACRES

OPERATED BY OASIS
PETROLEUM PERMIAN LLC

UNIVERSITY LAND
SECTION 43, BLOCK 21

UNIVERSITY LAND
SECTION 47, BLOCK 20

UNIVERSITY LAND
SECTION 46, BLOCK 20

WINKLER COUNTY
WARD COUNTY

UNIVERSITY LAND
SECTION 47, BLOCK 20

UNIVERSITY LAND
SECTION 48, BLOCK 20

UNIVERSITY LAND
SECTION 8, BLOCK 18

UNIVERSITY LAND
SECTION 9, BLOCK 18

LEGEND

— SURVEY LINE
- - - LEASE LINE

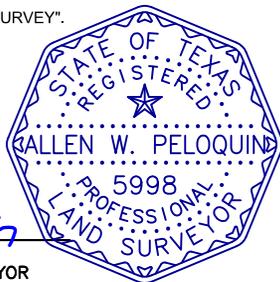
DRIVING DIRECTIONS TO LOCATION:
FROM THE INTERSECTION OF FARM TO MARKET 1232 AND FM 201, HEAD SOUTHWEST ON FM 201 FOR 6.8 MILES THEN TURN LEFT (SOUTH) ONTO LEASE ROAD FOR 4.2 MILES AND THE LOCATION WILL BE ON THE WEST SIDE OF LEASE ROAD APPROX 550' IN FIELD.

GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS PLANE COORDINATE SYSTEM OF NAD 27, TEXAS CENTRAL ZONE 4203
- VERTICAL DATUM IS NAVD 88
- LATITUDE AND LONGITUDE ARE WGS 84 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.

ALLEN W. PELOQUIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5998



WELL LOCATION INFORMATION:

SURFACE HOLE LOCATION/PP: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,585,795.38, X = 1,386,048.45 LAT: N 31.67739°, LONG: W 103.26067° SHL: 413' FELL & 173' FNLL SHL: 1733' FEL & 173' FNL	LAST TAKE POINT: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,575,920.99, X = 1,388,603.98 LAT: N 31.65044°, LONG: W 103.25162° LTP: 591' FWLL & 200' FSLL
NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 743,219.44, X = 1,089,583.96 LAT: N 31.67726°, LONG: W 103.26022°	NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 733,345.18, X = 1,092,139.36 LAT: N 31.65031°, LONG: W 103.25118°
FIRST TAKE LOCATION: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,585,680.56, X = 1,385,752.11 LAT: N 31.67705°, LONG: W 103.26161° FT: 590' FWLL & 200' FNLL	BOTTOM HOLE LOCATION: NAD 83, TEXAS CENTRAL ZONE COORD'S Y = 10,575,777.00, X = 1,388,646.05 LAT: N 31.65004°, LONG: W 103.25148° BHL: 2051' FEL & 50' FSL BHL: 591' FWLL & 50' FSLL
NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 743,104.62, X = 1,089,287.62 LAT: N 31.67692°, LONG: W 103.26116°	NAD 27, TEXAS CENTRAL ZONE COORD'S Y = 733,201.20, X = 1,092,181.43 LAT: N 31.64991°, LONG: W 103.25103°

PLAT OF:

A PROPOSED WELL LOCATION FOR:
OASIS PETROLEUM PERMIAN LLC
UL SUGARLOAF D 20-37-48 #5104H

SITUATED IN THE UNIVERSITY LAND, SECTION 48, BLOCK 20, THE UNIVERSITY LAND, SECTION 37, BLOCK 20, AND BEING APPROXIMATELY 7.7 MILES SOUTHWEST OF WINK IN WARD AND WINKLER COUNTIES, TEXAS.

DATE: 4-11-2018
DRAWN BY: CH
CHECKED BY: AP
FIELD CREW: DL
PROJECT NO: 2018040917
SCALE: 1" = 2000'
SHEET: 1
REVISION: 1



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