

API No. <u>42-365-38412</u> Drilling Permit # <u>837883</u> SWR Exception Case/Docket No. <u>0310373</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>088595</u>		2. Operator's Name (as shown on form P-5, Organization Report) BRAMMER ENGINEERING, INC.		3. Operator Address (include street, city, state, zip): 400 TEXAS ST SUITE 600 SHREVEPORT, LA 71101-0000			
4. Lease Name BATES-CARRINGTON		5. Well No. 3H					
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 9600		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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 06		12. County PANOLA		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>10.6</u> miles in a <u>E</u> direction from <u>CARTHAGE</u> which is the nearest town in the county of the well site.							
15. Section	16. Block	17. Survey GIBBS, J P		18. Abstract No. A-233	19. Distance to nearest lease line: <u>1</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1392.37	
21. Lease Perpendiculars: <u>281</u> ft from the <u>W</u> line and <u>325</u> ft from the <u>NE</u> line. 22. Survey Perpendiculars: <u>281</u> ft from the <u>W</u> line and <u>325</u> ft from the <u>NE</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	
06	16032174	CARTHAGE (COTTON VALLEY)		Oil or Gas Well	9600	0.00	
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. <div style="display: flex; justify-content: space-between;"> <div> <u>Amanda Johnson</u> Name of filer </div> <div> <u>Mar 22, 2018</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(318)4292281</u> Phone </div> <div> <u>amanda.johnson@brammer.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: Mar 29, 2018 11:38 AM('As Approved' 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

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Approved Date:	Mar 29, 2018

1. RRC Operator No. 088595	2. Operator's Name (exactly as shown on form P-5, Organization Report) BRAMMER ENGINEERING, INC.	3. Lease Name BATES-CARRINGTON	4. Well No. 3H
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 CARTHAGE (COTTON VALLEY) (Field # 16032174, RRC District 06)			
6. Section	7. Block	8. Survey LAGRONE, A	9. Abstract 392
		10. County of BHL PANOLA	
11. Terminus Lease Line Perpendiculars 624 ft. from the W line. and 3985 ft. from the NE line			
12. Terminus Survey Line Perpendiculars 624 ft. from the W line. and 3400 ft. from the NE line			
13. Penetration Point Lease Line Perpendiculars 755 ft. from the W line. and 409 ft. from the SW line			

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

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W-1 Comments

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[Mar 22, 2018 2:28 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 Mar 27, 2018 10:16 AM]: Changed nearest lease line distance to 1 ft because this is an allocation well without NPZs. Added SWR 37 lease line exception. Removed SWR 37 interior lease line exception because documents do not support that. Unchecked pooled unit box because this is an allocation, not a pooled unit.

0 1000 2000 3000

B.M. Lewin Sy.
A-397

Willis Vaughn Sy.
A-695

John McDaniel Sy.
A-509

Chas. Dollahrite
Sy.
A-174

Bates-Carrington 3H
NAD27 Datum
Surface Location (Surf.)
Lot: 32°07'27.502"
Long: 94°09'54.884"
North: 182879.750
East: 3032282.193
Elev: 240

Kick off Point (KOP)
Lot: 32°07'27.442"
Long: 94°09'49.404"
North: 182888.650
East: 3032753.423

Point of Penetration (POP)
& First Take Point (FTP)
Lot: 32°07'33.112"
Long: 94°09'49.424"
North: 183461.300
East: 3032733.503

Last Take Point (LTP)
Lot: 32°08'50.865"
Long: 94°09'49.425"
North: 191314.605
East: 3032483.920

Bottom Hole (BH)
Lot: 32°08'51.854"
Long: 94°09'49.425"
North: 191414.554
East: 3032480.743

B. Anderson Sy.
A-6

J.P. Gibbs Sy.
A-233
Surf. to KOP = N 88°55'05" E-471.31'
KOP to POP & FTP = N 01°59'32" W-573.00'
POP & FTP to Unit Line = N 01°49'13" W-5421.04'
Unit Line to LTP = N 01°49'13" W-2436.23'
LTP to BH = N 01°49'13" W-100.00'

Werner-Carrington Unit
701.98-Acre Unit
265/504

Adam LaGrone Survey
Abstract No. 392
Panola County, Texas

Bates-Powell Unit
690.39-Acre Unit
291/654

Werner-Carrington Unit
4
2.21 Ac.
Louis Werner Saw Mill Co.
5
14.225 Ac.
Grady LaGrone
6
14.225 Ac.
Louis Werner Saw Mill Co.
17
7.85 Ac.
Lucy Carrington
8
19.08 Ac.
Joyce LaGrone
Bates-Powell Unit
3
4.75 Ac.
T.A. LaGrone et al
12
0.91 Ac.
Julia N. Whitfield

Angle of Convergence along Bore Path: 01°49'11"



WC = Werner-Carrington Wells
BP = Bates-Powell Wells
Surf. = Surface Location
KOP = Kick off Point
POP = Point of Penetration
FTP = First Take Point
LTP = Last Take Point
BH = Bottom Hole Location

P L A T

SHOWING THE PROPOSED LOCATION OF THE
BATES-CARRINGTON 3H LOCATION IN THE J. P.
GIBBS SURVEY, ABSTRACT No. 233, AND THE ADAM
LAGRONE SURVEY, ABSTRACT No. 392, PANOLA
COUNTY, TEXAS. WELL IS LOCATED IN A STRAIGHT
LINE ABOUT SOUTH 76° EAST, 10.6 MILES FROM
THE TOWN OF CARTHAGE, PANOLA COUNTY, TEXAS.

For: Brammer Engineering, Inc.
400 Texas Street, Suite
Shreveport, Louisiana 71101

Scale: 1" = 1000'

NOTES: Surveyor did not abstract tracts for
easements or ownership. Sy. = Survey, Un =
Unit, Ln. = Line. Bearings are based on the
Texas Coordinate System of 1927, Texas
North-Central Zone. All coordinates are U.S.
Survey Feet. Recording information for the
Bates-Powell Unit is recorded in Volume 291,
Page 654 of the Deed Records of Panola County,
Texas. Recording information for the
Werner-Carrington Unit is recorded in Volume
265, Page 504 of the Deed Records of Panola
County, Texas. Names and acreage shown
hereon are per the plat recorded in each of the
above referenced instruments. No Description
Written. See other plats prepared for each unit.

I, Kristopher Morgan do hereby state that this
plat represents a horizontal well location, with the
surface location made on the ground for
Brammer Engineering, Inc., and that in
accordance with the information and the
instructions furnished me, same correctly
represents the facts as found at the time of the
survey. Lease lines were compiled from records.
USE OF THIS SURVEY FOR ANY OTHER PURPOSE
OR BY OTHER PARTIES SHALL BE AT THEIR RISK
AND THE UNDERSIGNED IS NOT RESPONSIBLE FOR
ANY LOSS RESULTING THEREFROM. IF THIS PLAT
IS NOT SIGNED IN PALE BLUE INK AND THE SEAL
PRESENT IN CRIMPED FORM, IT SHOULD BE
CONSIDERED AN UNLICENSED COPY AND PRESUMED
TO CONTAIN ALTERED OR UNAUTHORIZED MATERIAL.

Prepared By:
Affiliated Surveyors, Inc.
P.O. Box 838
Rusk, Texas 75785
Firm No. 10018300
Ph: (903) 683-2504
Fax: (903) 683-6632
www.affiliatedsurveyors.com



Kristopher Morgan
R.P.L.S. No. 5655
February 9, 2017