

API No. <u>42-365-38414</u> Drilling Permit # <u>838073</u> SWR Exception Case/Docket No. <u>0310602</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 BAKER-GENEVA		5. Well No. <u>4H</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>9600</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>06</u>		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. <u>A-233</u>	19. Distance to nearest lease line: <u>1</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>2005.5</u>	
21. Lease Perpendiculars: <u>856</u> ft from the <u>W</u> line and <u>342</u> ft from the <u>N</u> line. 22. Survey Perpendiculars: <u>255</u> ft from the <u>W</u> line and <u>342</u> ft from the <u>N</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>06</u>	<u>16032174</u>	<u>CARTHAGE (COTTON VALLEY)</u>		<u>Oil or Gas Well</u>	<u>9600</u>	<u>0.00</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>Amanda Johnson</u> Name of filer </div> <div> <u>Mar 27, 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: <u>Apr 11, 2018 9:33 AM('As Approved' Version)</u>			

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**

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

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

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Permit #	838073
Approved Date:	Apr 11, 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 BAKER-GENEVA	4. Well No. 4H
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 DOLLAHITE, C H	9. Abstract 174
		10. County of BHL PANOLA	
11. Terminus Lease Line Perpendiculars <u>384</u> ft. from the <u>E</u> line. and <u>3408</u> ft. from the <u>N</u> line			
12. Terminus Survey Line Perpendiculars <u>384</u> ft. from the <u>E</u> line. and <u>367</u> ft. from the <u>N</u> line			
13. Penetration Point Lease Line Perpendiculars <u>247</u> ft. from the <u>E</u> line. and <u>5338</u> ft. from the <u>S</u> 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 # **838073**

Approved Date: **Apr 11, 2018**

[Mar 26, 2018 8:29 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.; [RRC STAFF Mar 28, 2018 9:23 AM]: Unchecked pooled unit and changed nearest LL distance to 1' for this allocation. Well count corrected to 1 per RRC records and nearest well distance removed.; [RRC STAFF Apr 3, 2018 11:45 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 3, 2018 1:49 PM]: Removed SWR 37 Interior lease line exception because documents did not support it.; [RRC STAFF Apr 9, 2018 8:43 AM]: Attached revised plat and changed the lease line calls to reflect plat.; [RRC STAFF Apr 9, 2018 1:36 PM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 9, 2018 1:36 PM]: Attached revised documents from filer.

Angle of Convergence along Bore Path: 01°49'04"



Surf. to KOP = S 88°16'19" W-504.70'
KOP to POP & FTP = N 01°23'13" W-571.04'
POP & FTP to Unit Line = N 01°52'47" W-953.51'
Unit Line to Unit Line = N 01°52'47" W-3698.48'
Unit Line to LTP & BH = N 01°52'47" W-3301.01'

W.H. Jeter Sy.
A-354

Wm. Taylor Sy.
A-670

Werner-Geneva Unit
673.60-Acre Unit
270/360

James S. Koyle Sy.
A-380

Timothy Davis Sy.
A-175

J.R. Colburn Sy.
A-952

J.M. Morris Sy.
A-510

B. Anderson Sy.
A-6

B.M. Lewin Sy.
A-397

John McDaniel Sy.
A-509

Chas. Dollahite Sy.
A-174

Sallie Baker Unit No. 1
657.43-Acre Unit
179/34

Werner-Powell Unit
674.47-Acre Unit
273/55

SB = Sallie Baker Unit Wells
WG = Werner-Geneva Wells
WP = Werner-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

Adam LaGrone Survey
Abstract No. 392
Panola County, Texas

Baker-Geneva 4H
NAD27 Datum
Surface Location (Surf.)
Lat: 32°07'27.502"
Long: 94°09'55.232"
North: 182878.791
East: 3032252.241
Elev: 240

Kick off Point (KOP)
Lat: 32°07'27.510"
Long: 94°10'01.100"
North: 182863.600
East: 3031747.820

Point of Penetration (POP)
& First Take Point (FTP)
Lat: 32°07'33.160"
Long: 94°10'01.050"
North: 183434.348
East: 3031734.003

Bottom Hole & Last Take
Point (LTP)
Lat: 32°08'51.860"
Long: 94°10'01.150"
North: 191383.137
East: 3031473.125

Offset Operator:
Chevron
Bates-Powell Unit

Offset Operator:
Chevron
O.L. Jones Unit

247' U&S
KOP 634' U&S
Surf. 342' U&S

J.P. Gibbs Sy.
A-233
WP No. 80

SHOWING THE PROPOSED LOCATION OF THE BAKER-GENEVA 4H IN THE J. P. GIBBS SURVEY, ABSTRACT No. 233, AND THE CHAS DOLLAHITE SURVEY, ABSTRACT No. 174, 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 Werner-Powell Unit is recorded in Volume 273, Page 55, the Sallie Baker Unit No. 1 is recorded in Volume 179, Page 34, and the Werner-Geneva Unit is recorded in Volume 270, Page 360, all in 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.

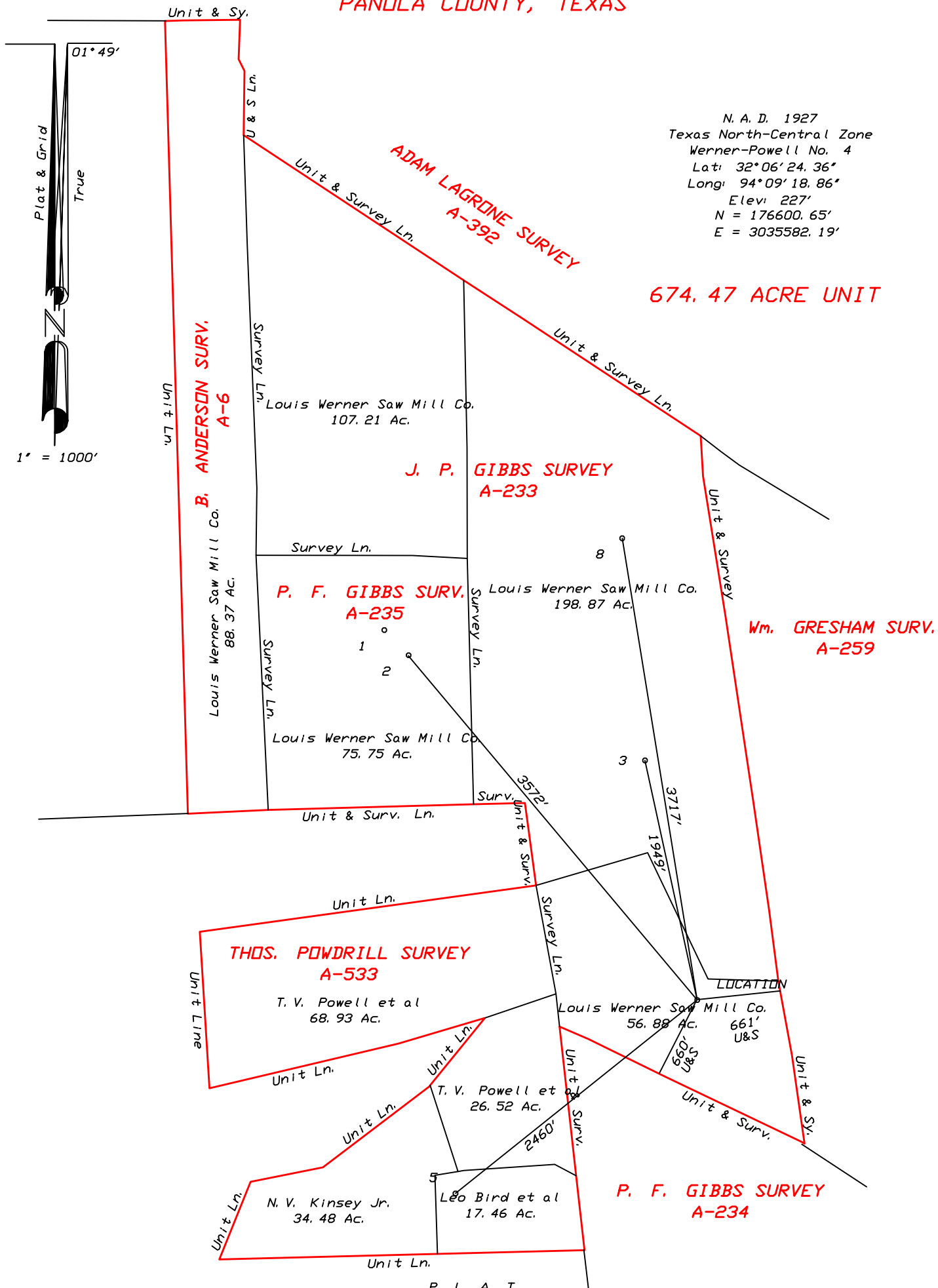


Plat rev. on March 14, 2018 to show tie to WP 8.
Plat rev. on April 5, 2018 to show tie to SBL of WP Unit.

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

PANDOLA COUNTY, TEXAS



SHOWING THE PROPOSED LOCATION OF THE WERNER-POWELL 674.47 ACRE GAS UNIT, WELL NO. 4 IN THE J. P. GIBBS SURVEY, ABSTRACT NO. 233, PANOLA COUNTY, TEXAS. WELL IS LOCATED IN A STRAIGHT LINE ABOUT SOUTH 73 DEG. EAST, 11.5 MILES FROM THE TOWN OF CARTHAGE, PANOLA COUNTY, TEXAS.

For: Chevron U. S. A. , Inc.
- 11111 S. Wilcrest
- Houston, Texas 77099
-
-
- Scale: 1" = 1000'

Prepared By:
Affiliated Surveyors, Inc.
P. O. Box 838
Rusk, Texas 75785
Ph: (903) 683-2504
Fax: (903) 683-6632

This plat represents a well location made on the ground and NOT A LAND BOUNDARY SURVEY, and as such this service does not comply with the current TBPLS minimum standards of practice for land boundary surveys. Only limited measurements were made and lease lines were compiled from records. This plat is for internal use by Chevron U. S. A., Inc., only.

April 10, 2006

I hereby certify that this plat was prepared for me and that to the best of my knowledge, same is true and correct.