

API No. <u>42-227-41364</u> Drilling Permit # <u>873961</u> SWR Exception Case/Docket No. <u>0332115</u> (R37)		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <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>				<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>	
1. RRC Operator No. <u>071331</u>		2. Operator's Name (as shown on form P-5, Organization Report) <b>BIRCH OPERATIONS, INC.</b>		3. Operator Address (include street, city, state, zip): <b>2 HOUSTON CENTER SUITE 1400</b> <b>909 FANNIN STREET</b> <b>HOUSTON, TX 77010-0000</b>			
4. Lease Name <b>BLAZE THE BRONCO 28-21 A</b>		5. Well No. <u>1WA</u>					
<b>GENERAL INFORMATION</b>							
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>8250</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			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <u>08</u>		12. County <b>HOWARD</b>		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>2.74</u> miles in a <u>NW</u> direction from <u>KNOTT</u> which is the nearest town in the county of the well site.							
15. Section <u>28</u>	16. Block <u>33 T2N</u>	17. Survey <b>T&amp;P RR CO/ COFFEE, F M</b>		18. Abstract No. <u>A-1119</u>	19. Distance to nearest lease line: ft. _____	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>320</u>	
21. Lease Perpendiculars: <u>1210</u> ft from the <u>WEST</u> line and <u>2195</u> ft from the <u>SOUTH</u> line.							
22. Survey Perpendiculars: <u>1210</u> ft from the <u>WEST</u> line and <u>2195</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			
<b>FIELD INFORMATION    List all fields of anticipated completion including Wildcat. List one zone per line.</b>							
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>85280300</u>	<b>SPRABERRY (TREND AREA)</b>		<b>Oil or Gas Well</b>	<u>8250</u>	<u>0.00</u>	
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)</b>							
<b>Remarks</b> See W1 Comments attached				<b>Certificate:</b> I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="text-align: center;"> <b>Leah Moon Becton, Sr. Regulatory</b>  <b>Analyst</b> </div> <div style="display: flex; justify-content: space-between;"> <div>           Name of filer  <u>(832)7011776, x125</u>            Phone         </div> <div>           Date submitted  <u>Oct 26, 2021</u>            E-mail Address (OPTIONAL)  <u>leah.becton@birchresources.com</u> </div> </div>			
<b>RRC Use Only</b> Data Validation Time Stamp: <u>Oct 29, 2021 2:09 PM( '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**

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

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Permit #	873961
Approved Date:	Oct 29, 2021

1. RRC Operator No. 071331	2. Operator's Name (exactly as shown on form P-5, Organization Report) BIRCH OPERATIONS, INC.	3. Lease Name BLAZE THE BRONCO 28-21 A	4. Well No. 1WA
<b>Lateral Drainhole Location Information</b>			
5. Field as shown on Form W-1     SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 21	7. Block 33 T2N	8. Survey T&P RR CO	9. Abstract 328
10. County of BHL HOWARD			
11. Terminus Lease Line Perpendiculars 330 ft. from the        WEST        line. and        25 ft. from the        NORTH        line			
12. Terminus Survey Line Perpendiculars 330 ft. from the        WEST        line. and        2549 ft. from the        SOUTH        line			
13. Penetration Point Lease Line Perpendiculars 1210 ft. from the        WEST        line. and        2195 ft. from the        SOUTH        line			

Permit Status: **Approved**

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**W-1 Comments**

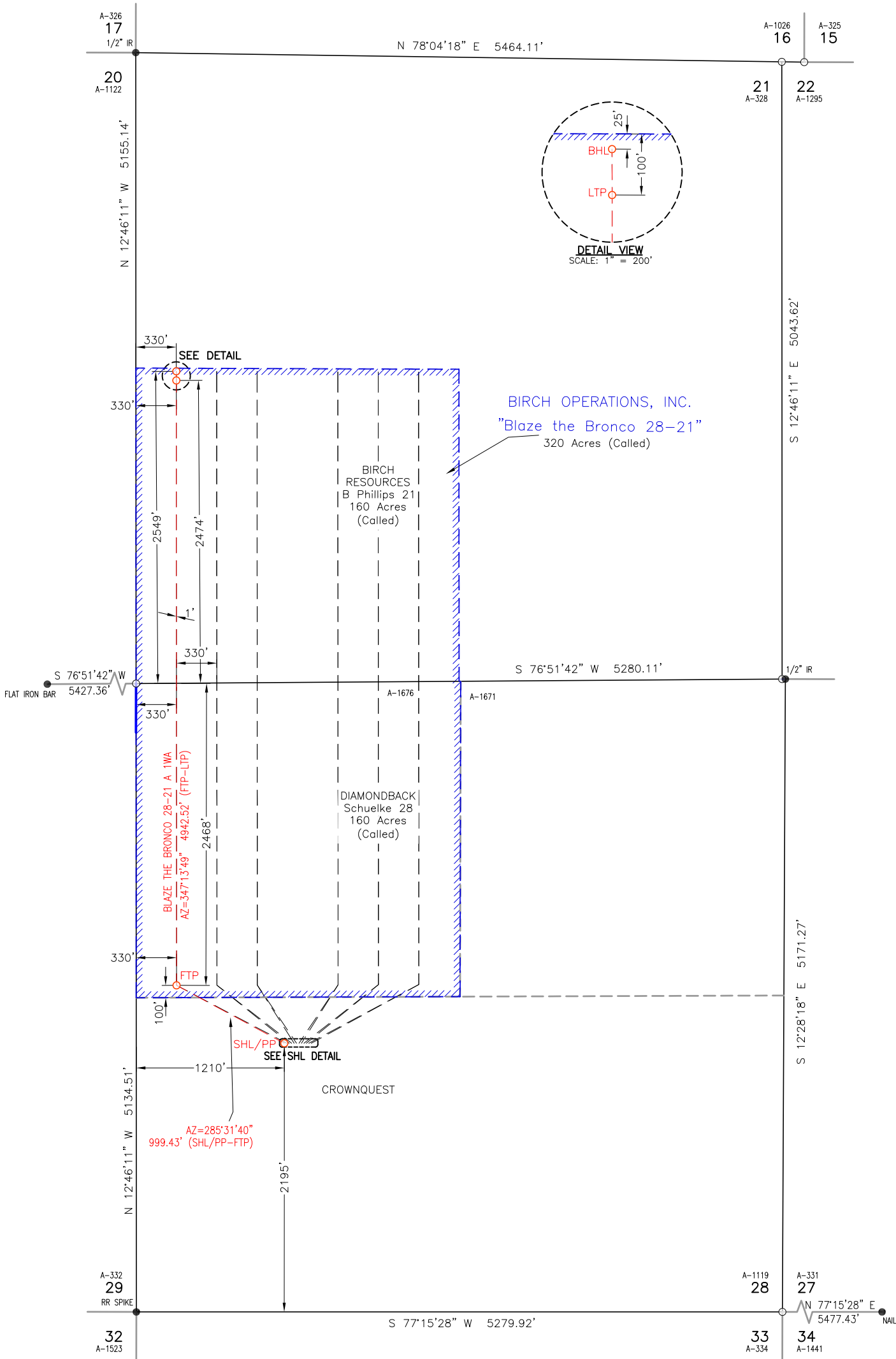
Permit # **873961**

Approved Date: **Oct 29, 2021**

[ Oct 13, 2021 2:14 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.



**SPECIAL NOTES:**

All tract representation along with acreage were input via information provided by client and was not surveyed on the ground.

Original Document Size: 11"x17"  
All Coordinates are in NAD 27  
TX-NC Zone unless otherwise noted.

**Surface Hole Location/Penetration Point:**  
2195' FSL & 1210' FWL (SEC. 28)  
SHL Ground Elevation: 2582'  
X = 735695 Y = 287487  
LAT.: N 32.3891197 LONG.: W 101.5967808  
NAD 83 TX-NC ZONE  
X = 1012596 Y = 6838641  
LAT.: N 32.3892351 LONG.: W 101.5971889

**First Take Point:**  
2468' FNL & 330' FWL (SEC. 28)  
X = 734732 Y = 287754  
LAT.: N 32.3897513 LONG.: W 101.5999318

**Last Take Point Location:**  
2474' FSL & 330' FWL (SEC. 21)  
X = 733639 Y = 292575  
LAT.: N 32.4028742 LONG.: W 101.6040780

**Bottom Hole Location:**  
2549' FSL & 330' FWL (SEC. 21)  
X = 733623 Y = 292648  
LAT.: N 32.4030733 LONG.: W 101.6041410

LEGEND		Section Line
		Block Line
		Abstract Line
		Tract Line
		Lease Road
		Unleased Minerals
		Unit/Lease Boundary
		Found Monument
		Set 1/2" Rebar w/cap
	Calculated Corner	

Orig. Doc. 11x17	Surveyed: 09/27/2021
COGO: 759-136435	
Revision: 2(MV)	10/15/2021
Drawn By: MV; 09/27/2021	
ORIGINAL DOC. SIZE: 11"x17"	

**CERTIFICATION:**  
This well location shown on this permit plat was surveyed on the ground under my direct supervision. This plat is for Texas Railroad Commission permit purpose only and should not be considered a boundary survey.

*William J. Keating*  
Texas Reg. No. 5041



**TOPOGRAPHIC**  
LOYALTY INNOVATION LEGACY  
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
WWW.TOPOGRAPHIC.COM  
Texas FIRM Registration NO. 10042500

Signature Date:  
10/15/2021

FILE NAME: LO\_BLAZE\_THE\_BRONCO\_28\_21\_A\_1WA\_REV2

## BIRCH OPERATIONS, INC.

LEASE NAME & WELL NO.:  
**BLAZE THE BRONCO 28-21 A #1WA**

TOPOGRAPHY & VEGETATION:  
**PLOWED FIELD**

NEAREST TOWN IN COUNTY:  
**±2.74 MILES NORTHWEST OF KNOTT, TEXAS**

LOCATION DESCRIPTION:  
SHL/PP:SECTION 28, BLOCK 33, T-2-N, T. & P. RR. CO. SURVEY, A-1119  
FTP:SECTION 28, BLOCK 33, T-2-N, T. & P. RR. CO. SURVEY, A-1676  
LTP/BHL:SECTION 21, BLOCK 33, T-2-N, T. & P. RR. CO. SURVEY, A-328  
HOWARD COUNTY, TEXAS