

API No. <u>42-227-38535</u> Drilling Permit # <u>806236</u> SWR Exception Case/Docket No. <u>0296617</u> (R37)		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <small>This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.</small>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. <u>630591</u>		2. Operator's Name (as shown on form P-5, Organization Report) OXY USA INC.			3. Operator Address (include street, city, state, zip): ATTN THERESA JACKSON 29TH FL PO BOX 4294 HOUSTON, TX 77210-0000		
4. Lease Name ADKINS TIDWELL 4403		5. Well No. <u>1WA</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. <u>08</u>		12. County HOWARD		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>5.3</u> miles in a <u>SW</u> direction from <u>BIG SPRING</u> which is the nearest town in the county of the well site.							
15. Section <u>44</u>		16. Block <u>34</u>		17. Survey T&P RR CO		18. Abstract No. <u>A-</u>	
				19. Distance to nearest lease line: <u>100</u> ft.		20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>957.9</u>	
21. Lease Perpendiculars: <u>200</u> ft from the <u>SOUTH</u> line and <u>845</u> ft from the <u>EAST</u> line. 22. Survey Perpendiculars: <u>200</u> ft from the <u>SOUTH</u> line and <u>1780</u> ft from the <u>WEST</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	
08	85280300	SPRABERRY (TREND AREA)			Oil or Gas Well	8000	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
Remarks See W1 Comments attached					<u>Certificate:</u> I certify that information stated in this application is true and complete, to the best of my knowledge. Amanda Maxian, Regulatory Coordinator Name of filer _____ Date submitted <u>May 05, 2015</u> <u>(713)8403036</u> <u>amanda_maxian@oxy.com</u> Phone E-mail Address (OPTIONAL)		
RRC Use Only Data Validation Time Stamp: May 11, 2015 3:35 PM('As Approved' Version)							

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**

Form W-1H
Supplemental Horizontal Well Information

07/2004

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Permit #	806236
Approved Date:	May 11, 2015

1. RRC Operator No. 630591	2. Operator's Name (exactly as shown on form P-5, Organization Report) OXY USA INC.	3. Lease Name ADKINS TIDWELL 4403	4. Well No. 1WA
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Lateral Drainhole Location Information

5. Field as shown on Form W-1	SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)
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6. Section 44	7. Block 34	8. Survey T&P RR CO	9. Abstract	10. County of BHL HOWARD
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11. Terminus Lease Line Perpendiculars 100 ft. from the 12. Terminus Survey Line Perpendiculars 100 ft. from the 13. Penetration Point Lease Line Perpendiculars 200 ft. from the	NORTH	line. and	1640	ft. from the	WEST	line
	NORTH	line. and	1640	ft. from the	WEST	line
	SOUTH	line. and	845	ft. from the	EAST	line

Permit Status: **Approved**

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

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W-1 Comments

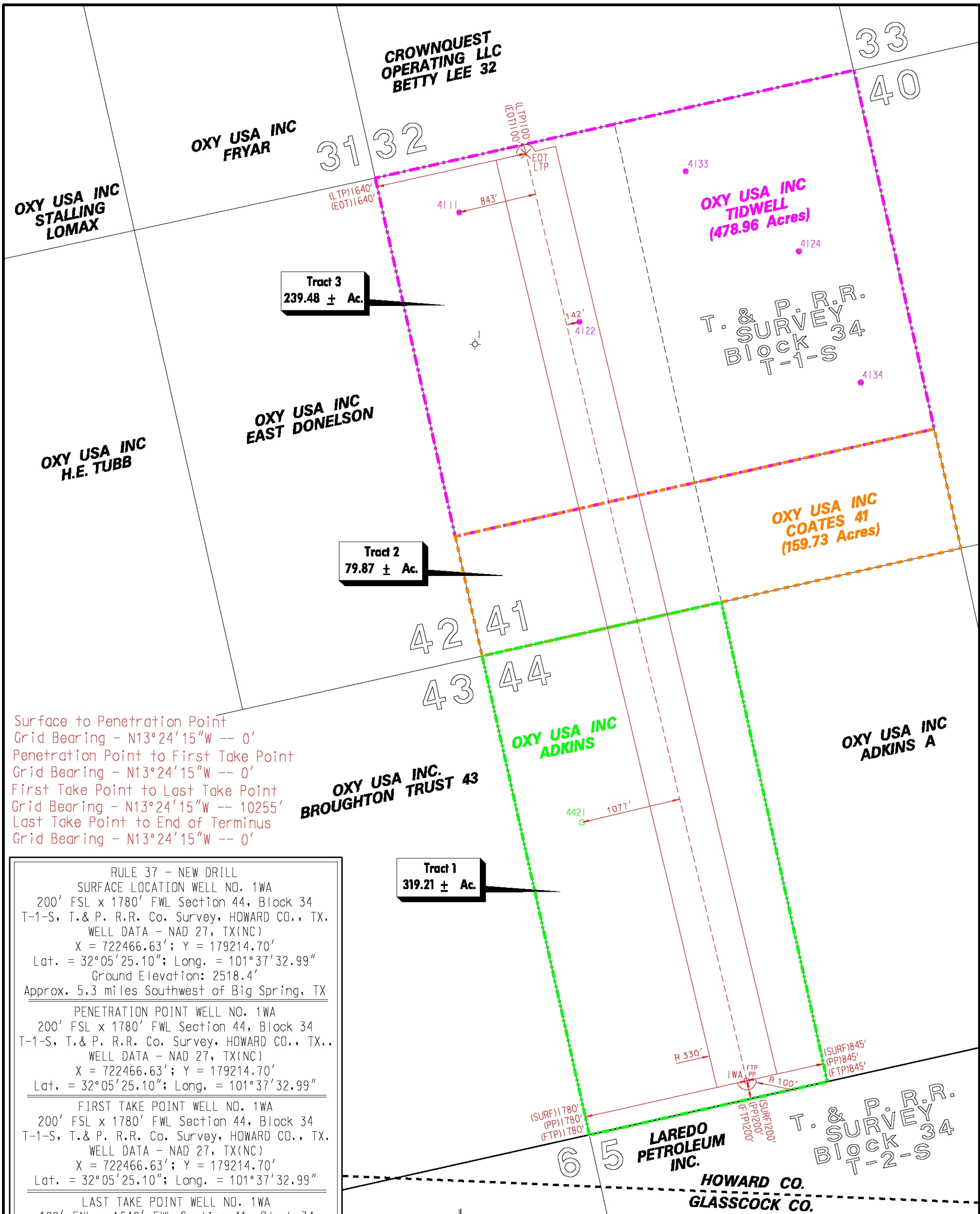
Permit # **806236**

Approved Date: **May 11, 2015**

[May 5, 2015 8:22 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 May 8, 2015 9:00 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF May 11, 2015 2:16 PM]: Problems identified with this permit are resolved.



Surface to Penetration Point
Grid Bearing - N13°24'15"W -- 0'
Penetration Point to First Take Point
Grid Bearing - N13°24'15"W -- 0'
First Take Point to Last Take Point
Grid Bearing - N13°24'15"W -- 10255'
Last Take Point to End of Terminus
Grid Bearing - N13°24'15"W -- 0'

RULE 37 - NEW DRILL	
SURFACE LOCATION WELL NO. 1WA	
200' FSL x 1780' FWL Section 44, Block 34	
T-1-S, T. & P. R.R. Co. Survey, HOWARD CO., TX.	
WELL DATA - NAD 27, TX(NC)	
X = 722466.63'; Y = 179214.70'	
Lat. = 32°05'25.10"; Long. = 101°37'32.99"	
Ground Elevation: 2518.4'	
Approx. 5.3 miles Southwest of Big Spring, TX	
PENETRATION POINT WELL NO. 1WA	
200' FSL x 1780' FWL Section 44, Block 34	
T-1-S, T. & P. R.R. Co. Survey, HOWARD CO., TX.	
WELL DATA - NAD 27, TX(NC)	
X = 722466.63'; Y = 179214.70'	
Lat. = 32°05'25.10"; Long. = 101°37'32.99"	
FIRST TAKE POINT WELL NO. 1WA	
200' FSL x 1780' FWL Section 44, Block 34	
T-1-S, T. & P. R.R. Co. Survey, HOWARD CO., TX.	
WELL DATA - NAD 27, TX(NC)	
X = 722466.63'; Y = 179214.70'	
Lat. = 32°05'25.10"; Long. = 101°37'32.99"	
LAST TAKE POINT WELL NO. 1WA	
100' FNL x 1640' FWL Section 41, Block 34	
T-1-S, T. & P. R.R. Co. Survey, HOWARD CO., TX.	
WELL DATA - NAD 27, TX(NC)	
X = 720089.41'; Y = 189190.00'	
Lat. = 32°07'02.81"; Long. = 101°38'05.16"	
END OF TERMINUS WELL NO. 1WA	
100' FNL x 1640' FWL Section 41, Block 34	
T-1-S, T. & P. R.R. Co. Survey, HOWARD CO., TX.	
WELL DATA - NAD 27, TX(NC)	
X = 720089.41'; Y = 189190.00'	
Lat. = 32°07'02.81"; Long. = 101°38'05.16"	

- SPRABERRY (TREND AREA) FIELD
- ADKINS LEASE BOUNDARY - - - - -
- COATES 41 LEASE BOUNDARY - - - - -
- TIDWELL LEASE BOUNDARY - - - - -
- PRODUCING WELL - - - - - ●
- INJECTION WELL - - - - - ●
- WELL LOCATIONS - - - - - ●
- PROPOSED CONVERSION - - - - - ●_{PC}

I, DENNIS W. HUGHES hereby certify that this plat, drawn to the scale indicated, accurately represents conditions as they actually exist on the property on which permit to drill is sought and correctly reflects all pertinent data required to be shown on such plat by orders of the Railroad Commission of Texas.

Dennis W. Hughes

Date: 5/5/2015

Lease Plat

ADKINS TIDWELL 4403

Well No. 1WA

Howard County, Texas

Scale: 1"= 1000' 5-5-2015 TX_502_ADKINS.DGN
Plat prepared by MAL
Horizon Survey, Inc.