

API No. <u>42-003-41741</u> Drilling Permit # <u>696855</u> SWR Exception Case/Docket No. _____		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. 220865		2. Operator's Name (as shown on form P-5, Organization Report) DISCOVERY OPERATING, INC.		3. Operator Address (include street, city, state, zip):			
4. Lease Name CARBRIGHT 23		5. Well No. 1					
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 checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack							
8. Total Depth 10000		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. 08		12. County ANDREWS		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>4.4</u> miles in a <u>SE</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site.							
15. Section 23	16. Block A44	17. Survey PSL/SHAFER, J H		18. Abstract No. A-1629	19. Distance to nearest lease line: 800 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 320	
21. Lease Perpendiculars: <u>1980</u> ft from the <u>SOUTH</u> line and <u>1840</u> ft from the <u>WEST</u> line. 22. Survey Perpendiculars: <u>1980</u> ft from the <u>SOUTH</u> line and <u>1840</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	31. Distance to Nearest Well in this Reservoir	
08	85280300	SPRABERRY (TREND AREA)		Oil or Gas Well	10000	1768.00	
08	00018001	WILDCAT		Oil or Gas Well	10000	1768.00	
08	96291666	WEMAC (WOLFCAMP)		Oil Well	10000	1768.00	
08	05166888	BAKKE (WOLFCAMP)		Oil Well	10000	1768.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS							
Remarks [RRC STAFF Jun 2, 2010 3:22 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 3, 2010 8:17 AM]: Problems identified with this permit are resolved.				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>Charlotte Webb</u> Name of filer </div> <div> <u>Jun 01, 2010</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)6835203, x117</u> Phone </div> <div> <u>cwebb@discoveryoperating.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: <u>Jun 7, 2010 8:41 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**

W-1 Supplemental Field Data

07/2004

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

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Permit #	696855
Approved Date:	Jun 07, 2010

1. RRC Operator No. 220865	2. Operator's Name (exactly as shown on form P-5, Organization Report) DISCOVERY OPERATING, INC.	3. Lease Name CARBRIGHT 23	4. County ANDREWS
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ADDITIONAL FIELD INFORMATION (continued from Page 1)

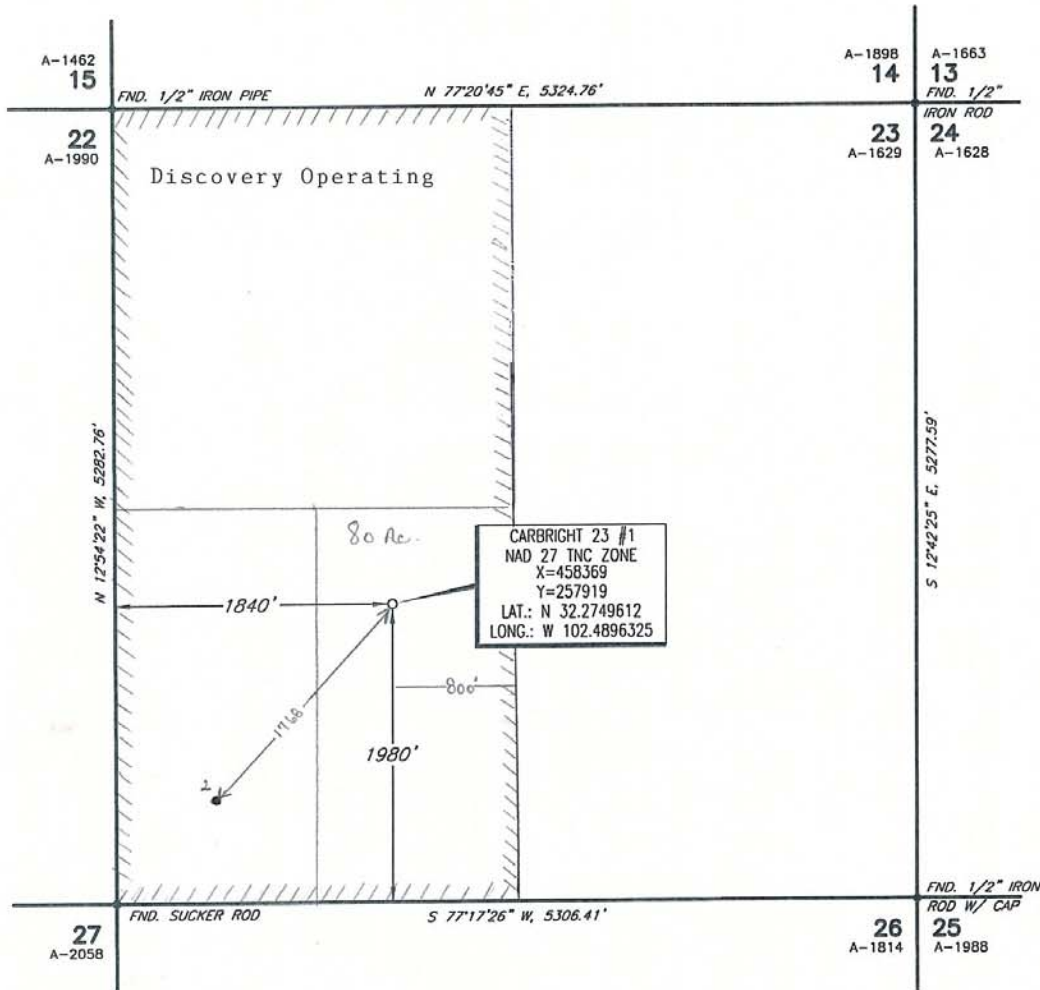
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	44524500	INEZ, N. (WOLFCAMP)	Oil Well	10000	1768.00	2

ANDREWS County, Texas

Description 1980' FSL & 1840' FWL

SECTION 23, BLOCK A-44, PUBLIC SCHOOL LAND SURVEY, A-1629

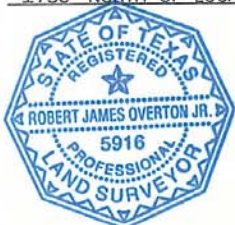
NAD 27
GRID BEARINGS



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us. This plat does not in any way represent a "Boundary Survey", and does not comply with correct I.B.P.L.S. Minimum Standards of Procedures for Boundary Surveys.

SCALE: 1" = 2000'
0' 1000' 2000'

Operator DISCOVERY OPERATING INC. Date Staked AUGUST 4, 2009
Lease Name & Well No. CARBRIGHT 23 #1 Ground Elev. 3117'
Topography & Vegetation NATURAL MESQUITE PASTURE
Nearest Town in County ±4.4 MILES SOUTHEAST OF ANDREWS, TEXAS
Driving Directions FROM JUNCTION OF HIGHWAY 1788 & RUSKIN ROAD, GO WEST 5.2 MILES ON RUSKIN ROAD, THENCE SOUTH 0.5 MILES ON LEASE ROAD, THENCE WEST 0.4 MILES ON TRAIL ROAD TO A POINT ±750' NORTH OF LOCATION.



CERTIFICATION:

I, Robert J. Overton Jr., a Registered Professional Land Surveyor, and an authorized agent of Topographic Land Surveyors, do hereby certify that in my professional opinion the above described well location was surveyed and staked on the ground as shown. This plat is for Texas Railroad Commission permitting only.

Texas Reg. No.

5916

Invoice # 148639/762SW
L.A.S.

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