

API No. <u>42-405-30674</u> Drilling Permit # <u>838865</u> SWR Exception Case/Docket No. <u>0310952 (R37)</u>	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
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1. RRC Operator No. 945936	2. Operator's Name (as shown on form P-5, Organization Report) XTO ENERGY INC.	3. Operator Address (include street, city, state, zip): 6141 PALUXY DR TYLER, TX 75703-0000
4. Lease Name BUTLER ROONEY-SOONERS ALLOC		5. Well No. B 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"/> Amended		<input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)		<input type="checkbox"/> Field Transfer	
<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 19000	9. Do you have the right to develop the minerals under any right-of-way ?		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

SURFACE LOCATION AND ACREAGE INFORMATION					
11. RRC District No. 06	12. County SAN AUGUSTINE		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>11</u> miles in a <u>SW</u> direction from <u>San Augustine</u> which is the nearest town in the county of the well site.					
15. Section	16. Block	17. Survey MARTIN, T J		18. Abstract No. A-193	19. Distance to nearest lease line: <u>1</u> ft.
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1296.68	
21. Lease Perpendiculars: <u>465</u> ft from the <u>N</u> line and <u>970</u> ft from the <u>E</u> line.		22. Survey Perpendiculars: <u>465</u> ft from the <u>N</u> line and <u>2374</u> ft from the <u>E</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	32. Number of Wells on this lease in this Reservoir
06	16032300	CARTHAGE (HAYNESVILLE SHALE)	Gas Well	10525	2175.00	3

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. <u>Joanna Bass, Regulatory Analyst</u> <u>Apr 13, 2018</u> Name of filer Date submitted <u>(903)5797731</u> <u>Joanna_Bass@xtoenergy.com</u> Phone E-mail Address (OPTIONAL)
RRC Use Only Data Validation Time Stamp: Apr 30, 2018 2:50 PM('As Approved' Version)	

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

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

Permit Status: **Approved**
*The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.*

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Permit # **838865**
Approved Date: **Apr 30, 2018**

1. RRC Operator No. 945936	2. Operator's Name (exactly as shown on form P-5, Organization Report) XTO ENERGY INC.	3. Lease Name BUTLER ROONEY-SOONERS ALLOC	4. Well No. B 1
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **CARTHAGE (HAYNESVILLE SHALE) (Field # 16032300, RRC District 06)**

6. Section	7. Block	8. Survey MARTIN, T J	9. Abstract 193	10. County of BHL SAN AUGUSTINE
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11. Terminus Lease Line Perpendiculars 6518 ft. from the S line. and 1315 ft. from the W line
12. Terminus Survey Line Perpendiculars 200 ft. from the S line. and 1043 ft. from the E line
13. Penetration Point Lease Line Perpendiculars 150 ft. from the N line. and 1023 ft. from the E line

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W-1 Comments

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Approved Date: **Apr 30, 2018**

[Apr 12, 2018 2:11 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.

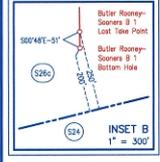
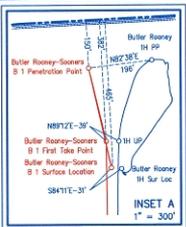
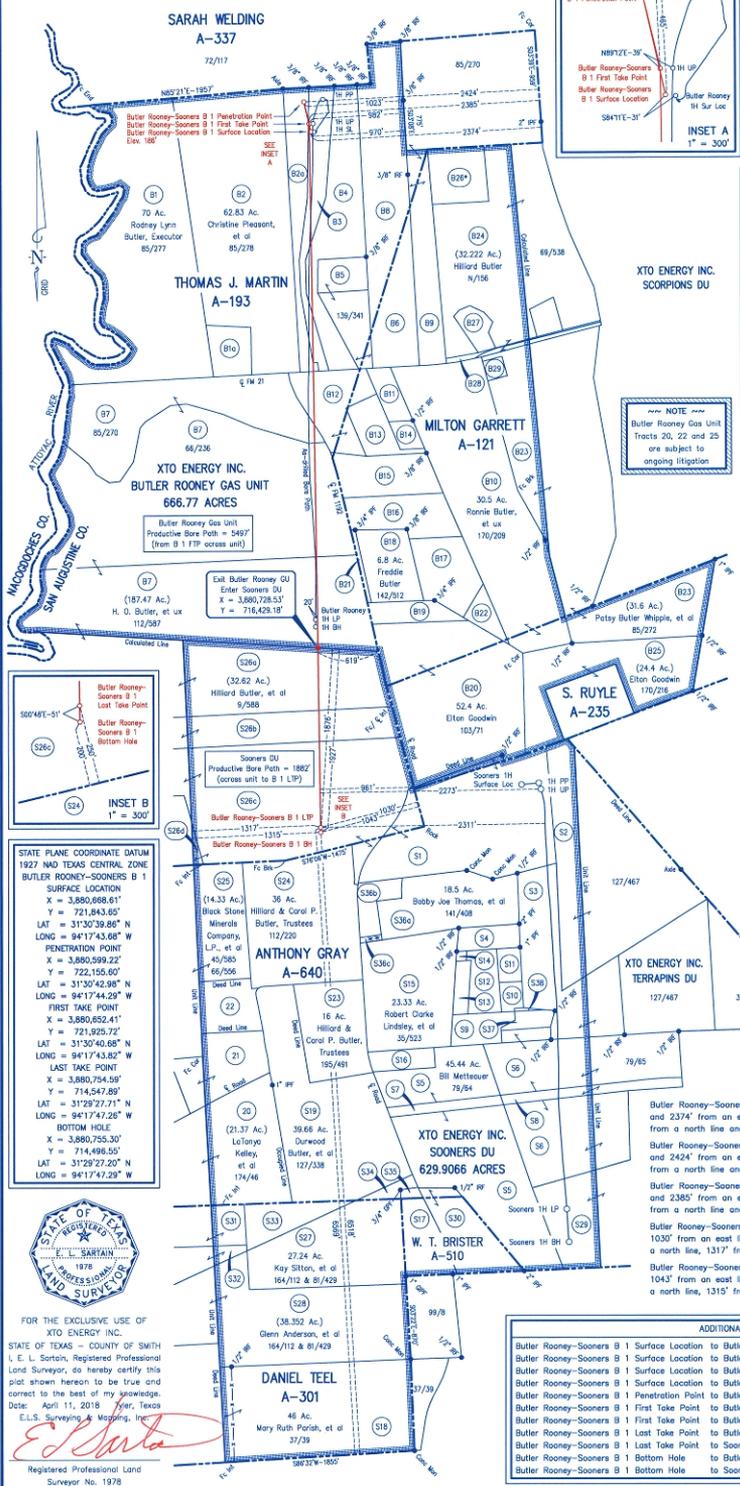
The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.; [RRC STAFF Apr 20, 2018 6:58 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 23, 2018 5:16 PM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 23, 2018 5:17 PM]: Per Joanna Bass; "Yes this is an allocation unit."; [RRC STAFF Apr 23, 2018 5:18 PM]: Pooled unit has been unchecked, and allocation has been checked. Rule 37 added per allocation filing procedures.; [RRC STAFF Apr 23, 2018 5:18 PM]: LTP and BHL lease line calls corrected, per plat, to reflect the outermost boundary of the developmental acreage.; [RRC STAFF Apr 23, 2018 5:18 PM]: Well count corrected to 3, per P-16 and RRC records. There is one well in each base tract, and this allocation well makes three.; [RRC STAFF Apr 24, 2018 1:17 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 25, 2018 1:08 PM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 25, 2018 1:09 PM]: Joanna Bass verified that "Own Offset" is the resolution to the swr 37 exception.

The location shown herein was staked from true lines or evidenced by occupation. Discrepancies shown are not intended to be definitive in establishing line boundaries. The acreages shown herein were provided by owners.

Surface location is approximately 11 miles
 W of San Augustine, Texas
 Chirico North Quadrangle

WELL LOCATION PLAT
XTO ENERGY INC.
BUTLER ROONEY-SOONERS
ALLOC B 1
THOMAS J. MARTIN SURVEY, A-193
SAN AUGUSTINE COUNTY, TEXAS

E.L.S. Surveying & Mapping, Inc.
 2004 W. Grande Blvd. - Tyler, Texas
 903-581-7759
 T.P.L.S. Registered Firm No. 100327



STATE PLANE COORDINATE DATUM
1927 ND TEXAS CENTRAL ZONE
BUTLER ROONEY-SOONERS B 1
SURFACE LOCATION
 X = 3,880,688.61
 Y = 721,843.65
 LAT = 31°30'38.86" N
 LONG = 94°17'43.68" W
PENETRATION POINT
 X = 3,880,599.22
 Y = 721,155.67
 LAT = 31°30'42.98" N
 LONG = 94°17'44.29" W
FIRST TAKE POINT
 X = 3,880,652.41
 Y = 721,925.72
 LAT = 31°30'40.68" N
 LONG = 94°17'43.82" W
LAST TAKE POINT
 X = 3,880,714.98
 Y = 714,547.89
 LAT = 31°29'27.71" N
 LONG = 94°17'42.85" W
BOTTOM HOLE
 X = 3,880,755.30
 Y = 714,498.50
 LAT = 31°29'27.20" N
 LONG = 94°17'42.92" W

BUTLER ROONEY GAS UNIT - ADDITIONAL TRACT DATA

Tract	Acreage	Lease Name	Vol/Page
B1a	4.17 Ac.	Rooney Lynn Butler, Executor	103/72
B1b	10.15 Ac.	Christine Pleasant, et al	276/71
B3	10.15 Ac.	Clifford Layton, et al	276/48
B4	20.3 Ac.	Rooney Lynn Butler	276/28
B5	10.0 Ac.	Carl Butler, et al	276/29
B6	12.5 Ac.	Patsy Butler Whipple, et al	257/44D
B8	22.5 Ac.	Patsy Butler Whipple, et al	257/44D
B9	(10.78 Ac.)	Janice Butler, et al	85/270
B11	3.0 Ac.	Ronnie Butler, et al	100/47
B12	9.95 Ac.	Ronnie Butler, et al	276/29
B13	5.25 Ac.	Ronnie Butler, et al	276/28
B14	2.0 Ac.	Ronnie Butler, et al	142/38
B15	9.95 Ac.	Ronnie Butler, et al	276/29
B16	9.95 Ac.	Ronnie Butler, et al	276/29
B17	9.95 Ac.	Ronnie Butler, et al	276/28
B19	2.6 Ac.	Freddie Butler	128/369
B21	0.72 Ac.	Freddie Butler	276/43
B22	2.6 Ac.	Elen Goodwin	129/143
B36*	7.75 Ac.	Heira of Amie Peoples	40/47
B27	2.738 Ac.	Johna Cole Reynolds	167/145
B28	(0.52 Ac.)	State of Texas	200/566
B29	1.0 Ac.	James McRoyolds	10/244

SOONERS DU - ADDITIONAL TRACT DATA

Tract	Acreage	Lease Name	Vol/Page
S1	42.4396 Ac.	Pauline Crisp	187/639
S2	(10.052 Ac.)	Pauline Crisp	127/617
S3	(18.06 Ac.)	Pauline Crisp, et al	166/405
S4	3.56 Ac.	Pauline Crisp, et al	166/473
S5	(29.39 Ac.)	Bill Metteauer	79/105
S6	2.56 Ac.	John Cor Metteauer	285/456
S8	(21.15 Ac.)	Bill Metteauer	281/456
S9	3.81 Ac.	Michael J. Mciver, et al	140/220
S10	1.62 Ac.	Michael J. Mciver, et al	155/219
S11	1.99 Ac.	Theresa Ann Peck, et al	303/260
S12	4.98 Ac.	Nattie B. Hunt, et al	203/122
S13	2.0 Ac.	Michael J. Mciver, et al	140/220
S14	0.5 Ac.	Michael J. Mciver, et al	140/220
S16	3.0 Ac.	John Cor Metteauer	285/456
S17	8.78 Ac.	Kenneth H. Gorrell, et al	R/294
S21	(8.98 Ac.)	Porcous Dodd, et al	144/57
S22	7.2 Ac.	Michael J. Mciver	144/57
S23	(15.81 Ac.)	Eile Butler Keating, et al	65/377
S26	(59.0 Ac.)	The Butler Living Trust, et al	112/587
S26a	(0.52 Ac.)	The Butler Living Trust, et al	82/486
S29	(11.56 Ac.)	Block Stone Minerals Company, LP	48/444
S30	9.25 Ac.	William Keith Burks, et al	R/294
S31	(3.302 Ac.)	Durwood Butler, et al	R/510
S32	(1.061 Ac.)	Glen Anderson, et al	R/510
S33	8.4 Ac.	Durwood Butler, et al	R/429
S34	1.38 Ac.	Key Sitter, et al	164/112
S35	0.46 Ac.	Durwood Butler, et al	R/294
S36	3.7 Ac.	Bobby Joe Thomas, et al	91/24
S37	0.3 Ac.	Perry Dixon, Sr., et al	310/512
S37	1.84 Ac.	Perry Dixon, Sr., et al	310/512
S38	0.16 Ac.	Donald A. Davis, et al	310/512

* Due to the lack of any found physical evidence and second acreage, Butler Rooney Gas Unit Tract B29 is shown in the most likely position and configuration.
 ** Record descriptions and field evidence for Sooners DU Tract S36 are not adequate to properly locate it on the ground. The above depiction is an approximation.

ADDITIONAL UNIT TRACT DATA

Butler Rooney-Sooners B 1 Surface Location	to Butler Rooney-Sooners B 1 Penetration Point = N12°32'W - 320'
Butler Rooney-Sooners B 1 Surface Location	to Butler Rooney-Sooners B 1 First Take Point = N11°10'W - 84'
Butler Rooney-Sooners B 1 Surface Location	to Butler Rooney-Sooners B 1 Last Take Point = S00°41'E - 739'
Butler Rooney-Sooners B 1 Surface Location	to Butler Rooney-Sooners B 1 Bottom Hole = S00°41'E - 734'
Butler Rooney-Sooners B 1 Penetration Point	to Butler Rooney-Sooners B 1 First Take Point = S13°02'E - 235'
Butler Rooney-Sooners B 1 First Take Point	to Butler Rooney-Sooners B 1 Last Take Point = S00°48'E - 737'
Butler Rooney-Sooners B 1 First Take Point	to Butler Rooney-Sooners B 1 Bottom Hole = S00°48'E - 743'
Butler Rooney-Sooners B 1 Last Take Point	to Butler Rooney-Sooners B 1 Bottom Hole = N81°20'W - 2175'
Butler Rooney-Sooners B 1 Last Take Point	to Sooners IH Upper Perforation = N81°02'E - 2102'
Butler Rooney-Sooners B 1 Bottom Hole	to Butler Rooney IH Bottom Hole = N01°21'W - 2150'
Butler Rooney-Sooners B 1 Bottom Hole	to Sooners IH Upper Perforation = N78°52'E - 2311'



FOR THE EXCLUSIVE USE OF SMITH XTO ENERGY INC.
 STATE OF TEXAS - COUNTY OF SMITH
 I, E.L.S. Sorin, Registered Professional Land Surveyor, do hereby certify this plat shows to be true and correct to the best of my knowledge. Date: April 11, 2018
 E.L.S. Surveying & Mapping, Inc.