

API No. <u>42-405-30674</u> Drilling Permit # <u>838865</u> SWR Exception Case/Docket No. <u>0310952</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>945936</u>		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"/> 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>19000</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 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	
06	16032300	CARTHAGE (HAYNESVILLE SHALE)		Gas Well	10525	2175.00	
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>Joanna Bass, Regulatory Analyst</u> Name of filer <u>(903)5797731</u> Phone </div> <div> <u>Apr 13, 2018</u> Date submitted <u>Joanna_Bass@xtoenergy.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only							
Data Validation Time Stamp: Apr 30, 2018 2:50 PM('As Approved' Version)							

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 #	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
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	
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			

Permit Status: **Approved**

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

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W-1 Comments

Permit # **838865**

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 obtained from the boundaries as evidenced by occupation. Discrepancies shown are not intended to be definitive in establishing title 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
936-581-7759
T.B.P.L.S. Registered Firm No. 100327

BUTLER ROONEY GAS UNIT - ADDITIONAL TRACT DATA

Tract	Acreage	Lease Name	Vol/Page
816	4.17 Ac.	Rooney Lynn Butler, Executor	162/739
824	10.10 Ac.	Christine Pleasant, et al	276/71
83	10.15 Ac.	Clifford Layton, et al	276/48
84	20.3 Ac.	Rooney Lynn Butler	276/28
85	10.0 Ac.	Carl Butler, et al	276/28
86	12.5 Ac.	Patsy Butler Whipple, et al	257/140
88	22.5 Ac.	Patsy Butler Whipple, et al	257/140
89	(10.78 Ac.)	Ronnie Butler, et al	85/270
811	3.0 Ac.	Janice Butler, et al	100/47
812	8.95 Ac.	Ronnie Butler, et al	276/28
813	5.25 Ac.	Ronnie Butler, et al	276/28
814	2.0 Ac.	Ronnie Butler, et al	142/38
815	8.95 Ac.	Ronnie Butler, et al	276/28
816	8.95 Ac.	Ronnie Butler, et al	276/28
817	8.95 Ac.	Ronnie Butler, et al	276/28
819	2.8 Ac.	Freddie Butler	126/369
821	0.72 Ac.	Freddie Butler	276/28
822	2.8 Ac.	Elton Goodwin	229/143
8364	7.75 Ac.	Haira of Annie Poole	40/147
827	2.738 Ac.	James McReynolds	167/415
828	(0.5 Ac.)	State of Texas	200/596
829	1.0 Ac.	James McReynolds	102/344

XTO ENERGY INC.
SCORPIONS DU

NOTE
Butler Rooney Gas Unit
Tracts 20, 22 and 25
are subject to
ongoing litigation

SOONERS DU - ADDITIONAL TRACT DATA

Tract	Acreage	Lease Name	Vol/Page
51	42.436 Ac.	Pauline Crisp	167/639
52	(10.002 Ac.)	Pauline Crisp	127/167
53	(16.06 Ac.)	Pauline Crisp, et al	166/405
54	3.56 Ac.	Pauline Crisp, et al	166/473
56	(29.38 Ac.)	Bill Metteuser	79/105
57	2.56 Ac.	Bill Metteuser	79/105
58	(2.15 Ac.)	Bill Metteuser	281/456
59	3.81 Ac.	Michael J. Meyer, et al	140/220
60	1.62 Ac.	Michael J. Meyer, et al	152/219
61	1.91 Ac.	Nettie L. Hunt, et al	303/509
62	4.98 Ac.	Nettie L. Hunt, et al	203/132
63	2.0 Ac.	Michael J. Meyer, et al	140/220
64	0.5 Ac.	Michael J. Meyer, et al	140/220
65	3.0 Ac.	John Carl Metteuser	281/456
67	8.78 Ac.	Kenneth H. Garrett, et al	8/594
68	(9.98 Ac.)	Parsons Dodd, et al	144/57
69	7.2 Ac.	Michael J. Meyer	144/57
70	(15.81 Ac.)	Edie Butler Keeling, et al	65/337
72	(59.0 Ac.)	The Butler Living Trust, et al	112/587
73	(0.52 Ac.)	The Butler Living Trust, et al	82/486
74	(11.56 Ac.)	Block Stone Minerals Company, L.P.	48/444
75	9.25 Ac.	William Keith Burks, et al	8/594
76	(3.302 Ac.)	Durwood Butler, et al	8/510
77	(1.061 Ac.)	Glen Anderson, et al	8/510
78	8.64 Ac.	Durwood Butler, et al	8/510
79	1.38 Ac.	Key Sittler, et al	164/112
80	0.46 Ac.	Durwood Butler, et al	8/594
81	3.76 Ac.	Perry Dixon, Sr., et al	9/324
82	0.3 Ac.	Perry Dixon, Sr., et al	30/512
83	1.84 Ac.	Robby Jean Thron, et al	310/512
84	0.16 Ac.	Donald A. Davis, et al	310/512

* Due to the lack of any physical evidence and deed ambiguity, Butler Rooney Gas Unit Tract 828 is shown in the most likely position and configuration.
** Record descriptions and field evidence for Sooners DU Tract 536 are not adequate to properly locate it on the ground. The above depiction is an approximation.

Butler Rooney-Sooners Alloc B 1 Surface Location is located 465' from a north line and 2374' from an east line of the Thomas J. Martin Survey, A-193 also being 465' from a north line and 970' from an east line of the Butler Rooney-Sooners DU.
Butler Rooney-Sooners Alloc B 1 Penetration Point is located 150' from a north line and 2424' from an east line of the Thomas J. Martin Survey, A-193 also being 150' from a north line and 1023' from an east line of the Butler Rooney Gas Unit.
Butler Rooney-Sooners Alloc B 1 First Take Point is located 382' from a north line and 2385' from an east line of the Thomas J. Martin Survey, A-193 also being 382' from a north line and 982' from an east line of the Butler Rooney Gas Unit.
Butler Rooney-Sooners Alloc B 1 Last Take Point is located 295' from a south line and 1030' from an east line of the Thomas J. Martin Survey, A-193 also being 1876' from a north line, 1317' from the west line and 6569' from a south line of the Sooners DU.
Butler Rooney-Sooners Alloc B 1 Bottom Hole is located 200' from a south line and 1043' from an east line of the Thomas J. Martin Survey, A-193 also being 1927' from a north line, 1315' from the west line and 6518' from a south line of the Sooners DU.

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 - 7296'
Butler Rooney-Sooners B 1 Surface Location	to Butler Rooney-Sooners B 1 Bottom Hole	S00°41'E - 7345'
Butler Rooney-Sooners B 1 Penetration Point	to Butler Rooney-Sooners B 1 First Take Point	N13°02'E - 236'
Butler Rooney-Sooners B 1 First Take Point	to Butler Rooney-Sooners B 1 Last Take Point	S00°48'E - 7330'
Butler Rooney-Sooners B 1 First Take Point	to Butler Rooney-Sooners B 1 Bottom Hole	S00°48'E - 7437'
Butler Rooney-Sooners B 1 Last Take Point	to Butler Rooney 1H Upper Perforation	N01°20'W - 2175'
Butler Rooney-Sooners B 1 Last Take Point	to Sooners 1H Upper Perforation	N02°08'E - 2352'
Butler Rooney-Sooners B 1 Bottom Hole	to Butler Rooney 1H Bottom Hole	N01°21'W - 2100'
Butler Rooney-Sooners B 1 Bottom Hole	to Sooners 1H Upper Perforation	N78°52'E - 2311'

SARAH WELDING

A-337

Butler Rooney-Sooners B 1 Penetration Point
Butler Rooney-Sooners B 1 First Take Point
Butler Rooney-Sooners B 1 Surface Location
Line 160'

THOMAS J. MARTIN

A-193

XTO ENERGY INC.

BUTLER ROONEY GAS UNIT

666.77 ACRES

Butler Rooney Gas Unit
Productive Bore Path = 5497'
(from B 1 FTP across unit)

Exit Butler Rooney GU
Enter Sooners DU
X = 3,860,728.53'
Y = 716,429.18'

Butler Rooney-Sooners B 1
Last Take Point

Butler Rooney-Sooners B 1
Surface Location

Butler Rooney-Sooners B 1
Penetration Point

Butler Rooney-Sooners B 1
Bottom Hole

Butler Rooney-Sooners B 1
First Take Point

Butler Rooney-Sooners B 1
Surface Location

Butler Rooney-Sooners B 1
Penetration Point

Butler Rooney-Sooners B 1
Bottom Hole

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First Take Point

Butler Rooney-Sooners B 1
Surface Location

Butler Rooney-Sooners B 1
Penetration Point

Butler Rooney-Sooners B 1
Bottom Hole

MILTON GARRETT

A-121

Butler Rooney-Sooners B 1
First Take Point

Butler Rooney-Sooners B 1
Surface Location

Butler Rooney-Sooners B 1
Penetration Point

Butler Rooney-Sooners B 1
Bottom Hole

Butler Rooney-Sooners B 1
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Butler Rooney-Sooners B 1
Bottom Hole

FB 2318-32 (CW)

Job No. 385303

Map No. 385A-5303-1



FOR THE EXCLUSIVE USE OF
XTO ENERGY INC.
STATE OF TEXAS - COUNTY OF SMITH
E. L. Sorlin, Registered Professional
Land Surveyor, do hereby certify this
plat shown herein to be true and
correct to the best of my knowledge.
Date: April 11, 2018
E.L.S. Surveying & Mapping, Inc.
Registered Professional Land
Surveyor No. 1978

Drafter: RW