

API No. <u>42-255-35217</u> Drilling Permit # <u>820991</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
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1. RRC Operator No. 338746	2. Operator's Name (as shown on form P-5, Organization Report) GULFTEX ENERGY III, LP	3. Operator Address (include street, city, state, zip): 17806 W INTERSTATE 10 STE 405 SAN ANTONIO, TX 78257-8221
4. Lease Name MIKA		5. Well No. 102H

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 11500	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. 02	12. County KARNES	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>9.5</u> miles in a <u>NE</u> direction from <u>Karnes</u> which is the nearest town in the county of the well site.				
15. Section	16. Block	17. Survey GARY, I	18. Abstract No. A-124	19. Distance to nearest lease line: 100 ft.
20. Number of contiguous acres in lease, pooled unit, or unitized tract: 140.25				
21. Lease Perpendiculars: <u>452</u> ft from the <u>NE</u> line and <u>571</u> ft from the <u>NW</u> line.				
22. Survey Perpendiculars: <u>599</u> ft from the <u>NW</u> line and <u>971</u> ft from the <u>SW</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
02	86950300	SUGARKANE (AUSTIN CHALK)	Oil Well	11500	300.00	2

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

<p>Remarks [RRC STAFF Dec 19, 2016 10:04 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Dec 19, 2016 10:06 AM]: Changed distance to nearest lease line to match plat.; [RRC STAFF Dec 19, 2016 10:13 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Dec 20, 2016 10:37 AM]: Changed BHL abstract number to match plat and RRC GIS. Changed BHL survey line call to match plat.; [RRC STAFF Dec 20, 2016 12:23 PM]: Problems identified with this permit are resolved.; [RRC STAFF Dec 20, 2016 12:24 PM]: As per Jim Butler: Attached are plats with the surface owner tracts removed.</p>	<p style="text-align: center;">Certificate:</p> <p>I certify that information stated in this application is true and complete, to the best of my knowledge.</p> <p style="text-align: center;"> <u>Jim Butler, Geo/Engineering Tech</u> <u>Dec 06, 2016</u> Name of filer Date submitted <u>(210)4134794</u> <u>jtbgas@yahoo.com</u> Phone E-mail Address (OPTIONAL) </p>
<p>RRC Use Only Data Validation Time Stamp: Dec 21, 2016 2:32 PM('As Approved' Version)</p>	

**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.

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

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A certification of the automated data is available in the RRC's Austin office.*

Permit # **820991**
Approved Date: **Dec 21, 2016**

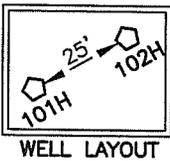
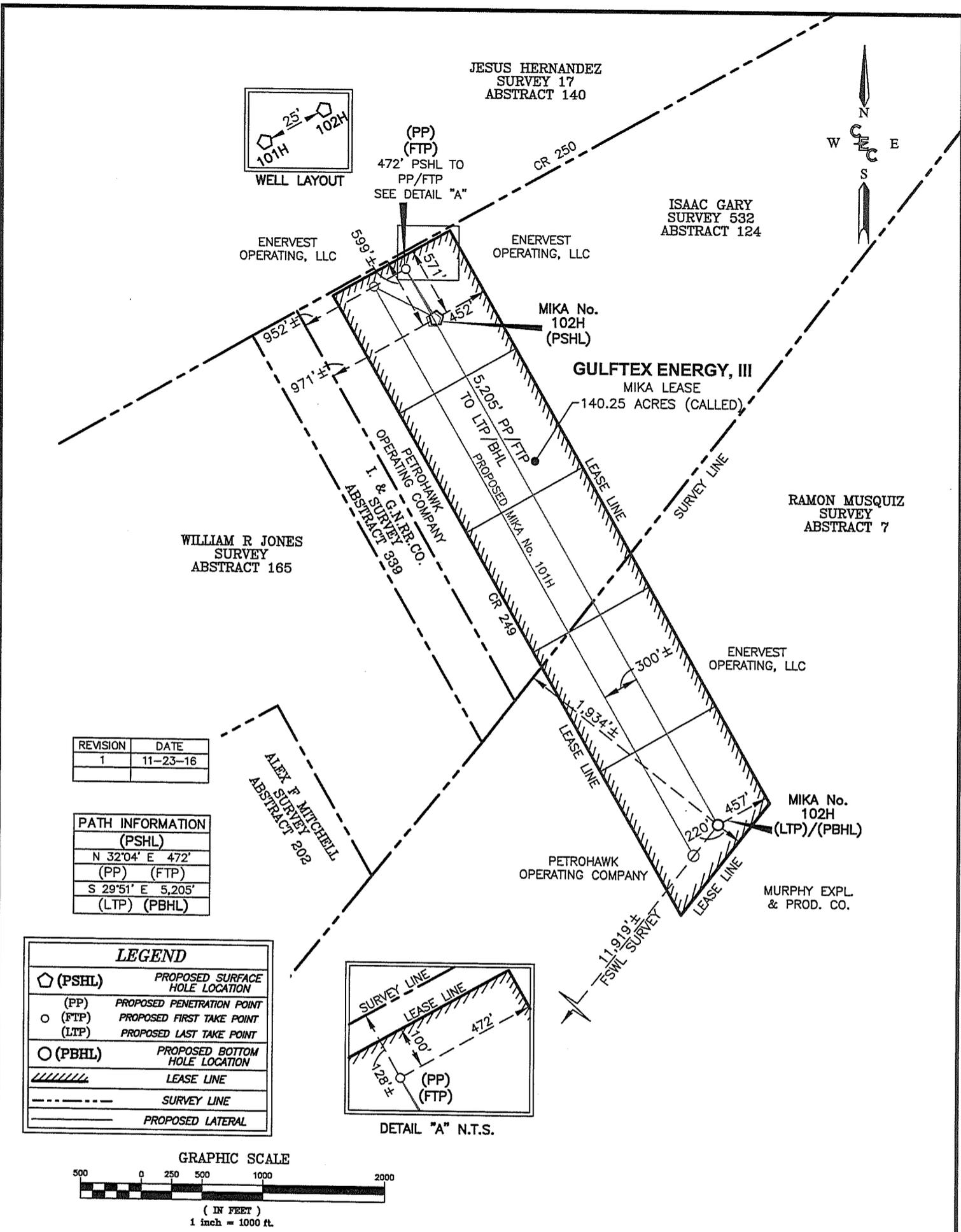
1. RRC Operator No. 338746	2. Operator's Name (exactly as shown on form P-5, Organization Report) GULFTEX ENERGY III, LP	3. Lease Name MIKA	4. Well No. 102H
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Lateral Drainhole Location Information

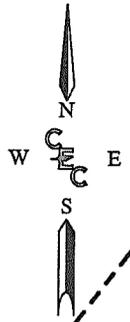
5. Field as shown on Form W-1 **SUGARKANE (AUSTIN CHALK) (Field # 86950300, RRC District 02)**

6. Section	7. Block	8. Survey MUSQUIZ, R	9. Abstract 7	10. County of BHL KARNES
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11. Terminus Lease Line Perpendiculars 457 ft. from the NE line. and 220 ft. from the SE line
12. Terminus Survey Line Perpendiculars 1934 ft. from the NW line. and 11919 ft. from the SW line
13. Penetration Point Lease Line Perpendiculars 100 ft. from the NW line. and 472 ft. from the NE line



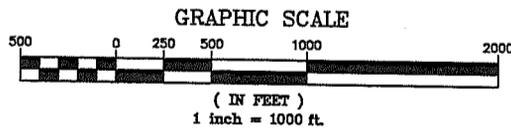
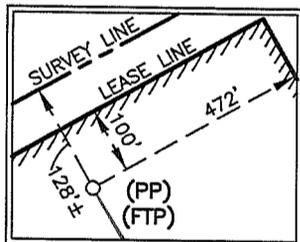
(PP)
(FTP)
472' PSHL TO
PP/FTP
SEE DETAIL "A"



REVISION	DATE
1	11-23-16

PATH INFORMATION	
(PSHL)	N 32°04' E 472'
(PP) (FTP)	S 29°51' E 5,205'
(LTP) (PBHL)	

LEGEND	
◻ (PSHL)	PROPOSED SURFACE HOLE LOCATION
(PP)	PROPOSED PENETRATION POINT
○ (FTP)	PROPOSED FIRST TAKE POINT
○ (LTP)	PROPOSED LAST TAKE POINT
○ (PBHL)	PROPOSED BOTTOM HOLE LOCATION
////	LEASE LINE
---	SURVEY LINE
---	PROPOSED LATERAL



GULFTEX ENERGY, III
MIKA No. 102H LOCATION
MIKA LEASE
140.25 ACRES (CALLED)
SITUATED IN THE
ISAAC GARY SURVEY 532, ABSTRACT 124 &
RAMON MUSQUIZ SURVEY, ABSTRACT 7
KARNES COUNTY, TEXAS

MIKA No. 102H LOCATION
STATE PLANE COORDINATES - TEXAS SOUTH CENTRAL ZONE - NAD 1927
PROPOSED SURFACE LOCATION (PSHL)
N: 432323 E: 2364974 ELEVATION: 358'
GEOGRAPHIC NAD 27: Lat: 29°01'02.89" Long: 97°51'28.77"
GEOGRAPHIC NAD 83: Lat: 29°01'03.79" Long: 97°51'29.77"
LEASE: 571' FNWL & 452' FNEL SURVEY: 599'± FNWL & 971'± FSWL
BEARS: N 15°12' E ~ 9.5 MILES FROM (KARNES CITY, TEXAS)

JOB NO: S0440114
SCALE: 1"=1000'
DRAWN BY: E.A.S.
CHECKED BY: O.N.M.
FIELD DATE: 11-24-16
QUAD: ECLETO

WARNING: THIS PLAT MAY NOT SHOW ALL CROSSINGS OF PIPELINES OR CABLES. USE THE TEXAS ONE CALL SYSTEM BEFORE EXCAVATION ON THIS PROPERTY.

CIVIL ENGINEERING CONSULTANTS
D O N D U R D E N, I N C.
11550 L.H. 10 WEST, SUITE 395
SAN ANTONIO, TEXAS 78230
P: 210.641.9999 F: 210.641.6440
Email: survey@cecotexas.com
Engineering No. F-2214
Surveying No. 100410-00

PENETRATION POINT (PP) & FIRST TAKE POINT (FTP)
N: 432723 E: 2364723
GEOGRAPHIC NAD 27: Lat: 29°01'06.87" Long: 97°51'31.55"
GEOGRAPHIC NAD 83: Lat: 29°01'07.77" Long: 97°51'32.56"
LEASE: 100' FNWL & 472' FNEL SURVEY: 128'± FNWL & 952'± FSWL

This Plat represents a WELL LOCATION prepared from field work, deeds and other available information. Prepared for the sole purpose of submitting to the Texas Railroad Commission for a drilling permit and is not intended to be a boundary survey. This plat is for the exclusive use of GULFTEX ENERGY, III.

496
11-28-16
L. Ray Inman, R.P.L.S. (No. 4496) - Texas Date

LAST TAKE POINT (LTP) & PROPOSED BOTTOM LOCATION (PBHL)
N: 428208 E: 2367314
GEOGRAPHIC NAD 27: Lat: 29°00'21.92" Long: 97°51'02.87"
GEOGRAPHIC NAD 83: Lat: 29°00'22.82" Long: 97°51'03.87"
LEASE: 457' FNEL & 220' FSEL SURVEY: 1,934'± FNWL & 11,919'± FSWL