

API No. <u>42-227-40245</u> Drilling Permit # <u>854653</u> SWR Exception Case/Docket No. <u>0322948</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>788997</u>		2. Operator's Name (as shown on form P-5, Organization Report) SM ENERGY COMPANY		3. Operator Address (include street, city, state, zip): ATTN LISA HUNT 6301 HOLIDAY HILL ROAD MIDLAND, TX 79707-0000			
4. Lease Name BAXTER		5. Well No. <u>2544WA</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 checked="" 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>9500</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>9.5</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>36</u>	16. Block <u>34 T1S</u>	17. Survey T&P RR CO / FINLEY, M E		18. Abstract No. <u>A-1273</u>	19. Distance to nearest lease line: <u>1</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>644.25</u>	
21. Lease Perpendiculars: <u>31</u> ft from the <u>E</u> line and <u>299</u> ft from the <u>S</u> line. 22. Survey Perpendiculars: <u>2619</u> ft from the <u>W</u> line and <u>299</u> ft from the <u>S</u> line.							
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input 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	
<u>08</u>	<u>85280300</u>	<u>SPRABERRY (TREND AREA)</u>		<u>Oil or Gas Well</u>	<u>9500</u>	<u>0.00</u>	
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>Lisa Hunt, Sr. Regulatory Analyst</u> Name of filer <u>(432)8484833</u> Phone </div> <div> <u>Sep 03, 2019</u> Date submitted <u>lhunt@sm-energy.com</u> E-mail Address (OPTIONAL) </div> </div>			
RRC Use Only Data Validation Time Stamp: <u>Oct 8, 2019 9:01 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>

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Approved Date:	Oct 08, 2019

1. RRC Operator No. 788997	2. Operator's Name (exactly as shown on form P-5, Organization Report) SM ENERGY COMPANY	3. Lease Name BAXTER	4. Well No. 2544WA
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 25	7. Block 34 T1S	8. Survey T&P RR CO	9. Abstract 415
10. County of BHL HOWARD			
11. Terminus Lease Line Perpendiculars 330 ft. from the E line. and 70 ft. from the N line			
12. Terminus Survey Line Perpendiculars 2326 ft. from the W line. and 70 ft. from the N line			
13. Penetration Point Lease Line Perpendiculars 330 ft. from the E line. and 50 ft. from the S line			

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W-1 Comments

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[FILER Sep 3, 2019 4:16 PM]: Amending permit to remove NPZ.; [RRC STAFF Sep 4, 2019 9:00 AM]: SWR Exception changed to Interior. Nearest lease line distance corrected accordingly. This well is not exception to the exterior lines, the filer used the distance from the SHL, which is not a producing point.; [RRC STAFF Sep 5, 2019 12:19 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 6, 2019 12:38 PM]: Problems identified with this permit are resolved.; [RRC STAFF Oct 3, 2019 2:45 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Oct 8, 2019 8:59 AM]: Problems identified with this permit are resolved.