

API No. <u>42-227-40246</u> Drilling Permit # <u>854656</u> SWR Exception Case/Docket No. _____		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <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>				<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>	
1. RRC Operator No. <b>788997</b>		2. Operator's Name (as shown on form P-5, Organization Report) <b>SM ENERGY COMPANY</b>		3. Operator Address (include street, city, state, zip): <b>ATTN LISA HUNT</b> <b>6301 HOLIDAY HILL ROAD</b> <b>MIDLAND, TX 79707-0000</b>			
4. Lease Name <b>BURGUNDY</b>		5. Well No. <b>2545WA</b>					
<b>GENERAL INFORMATION</b>							
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 <b>9500</b>		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			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <b>08</b>		12. County <b>HOWARD</b>		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 <b>36</b>	16. Block <b>34</b>	17. Survey <b>T&amp;P RR CO/FINLEY, M E</b>		18. Abstract No. <b>A-1273</b>	19. Distance to nearest lease line: <u>100</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>639.24</b>	
21. Lease Perpendiculars: <u>1</u> ft from the <u>W</u> line and <u>299</u> ft from the <u>S</u> line. 22. Survey Perpendiculars: <u>2649</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			
<b>FIELD INFORMATION</b> 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	9500	0.00	
<b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)							
<b>Remarks</b> See W1 Comments attached				<b>Certificate:</b> 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>Jill Hamilton, Regulatory Technician</u>            Name of filer         </div> <div> <u>Jun 27, 2019</u>            Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(432)8484855</u>            Phone         </div> <div> <u>jhamilton@sm-energy.com</u>            E-mail Address (OPTIONAL)         </div> </div>			
<b>RRC Use Only</b>							
Data Validation Time Stamp: Jul 18, 2019 7:51 AM( 'As Approved' Version )							

Permit Status: <b>Approved</b>  <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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**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

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

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Permit #	<b>854656</b>
Approved Date:    Jul 18, 2019	

1. RRC Operator No. <b>788997</b>	2. Operator's Name (exactly as shown on form P-5, Organization Report) <b>SM ENERGY COMPANY</b>	3. Lease Name <b>BURGUNDY</b>	4. Well No. <b>2545WA</b>
<b>Lateral Drainhole Location Information</b>			
5. Field as shown on Form W-1 <b>SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)</b>			
6. Section <b>25</b>	7. Block <b>34 T1S</b>	8. Survey <b>T&amp;P RR CO</b>	9. Abstract <b>415</b>
10. County of BHL <b>HOWARD</b>			
11. Terminus Lease Line Perpendiculars <b>330</b> ft. from the <b>W</b> line. and <b>70</b> ft. from the <b>N</b> line			
12. Terminus Survey Line Perpendiculars <b>2326</b> ft. from the <b>E</b> line. and <b>70</b> ft. from the <b>N</b> line			
13. Penetration Point Lease Line Perpendiculars <b>330</b> ft. from the <b>W</b> line. and <b>50</b> ft. from the <b>S</b> line			

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**W-1 Comments**

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Approved Date: **Jul 18, 2019**

[RRC STAFF Jun 27, 2019 4:07 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 28, 2019 7:33 AM]: 2545WA plat attached.; [RRC STAFF Jun 28, 2019 8:10 AM]: Coordinates updated per plat.; [RRC STAFF Jun 28, 2019 8:26 AM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 28, 2019 8:26 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jul 8, 2019 7:45 AM]: BHL SL LL calls corrected per plat.; [RRC STAFF Jul 8, 2019 7:46 AM]: Revised plat attached. P-12 and P-16 attached.; [RRC STAFF Jul 8, 2019 7:52 AM]: Problems identified with this permit are resolved.; [RRC STAFF Jul 8, 2019 11:58 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jul 17, 2019 2:58 PM]: Revised plat attached. SHL W LL call corrected per plat.; [RRC STAFF Jul 17, 2019 2:58 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jul 17, 2019 4:43 PM]: Changed nearest lease line distance to 100 ft to reflect the producing portion of the wellbore per plat. Changed bottom hole survey and lease line calls from 70 ft from the south line to 70 ft from the north line per plat.