

API No. <u>42-173-39320</u> Drilling Permit # <u>908407</u> SWR Exception <u>(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	
1. RRC Operator No. 100951		2. Operator's Name (as shown on form P-5, Organization Report) VITAL ENERGY, INC.		3. Operator Address (include street, city, state, zip): 521 EAST 2ND ST STE 1000 TULSA, OK 74120-0000			
4. Lease Name SCHWARTZ Q		5. Well No. 7A					
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 9000		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. 08		12. County GLASSCOCK		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>7.1</u> miles in a <u>SW</u> direction from <u>GARDEN CITY</u> which is the nearest town in the county of the well site.							
15. Section 36	16. Block 35 T4S	17. Survey T&P RR CO / LIVINGSTON, T		18. Abstract No. A-1024	19. Distance to nearest lease line: ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 1041.3	
21. Lease Perpendiculars: <u>2354</u> ft from the <u>N</u> line and <u>1868</u> ft from the <u>E</u> line. 22. Survey Perpendiculars: <u>2354</u> ft from the <u>N</u> line and <u>1868</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	
08	85280300	SPRABERRY (TREND AREA)		Oil or Gas Well	9000	1006.00	
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. Dana Thompson, Sr. Regulatory Analyst			
				Name of filer _____ Date submitted <u>Jun 03, 2025</u> <u>(918)8585018</u> <u>dana.thompson@vitalenergy.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only Data Validation Time Stamp: Jul 9, 2025 9:42 AM('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

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Permit # 908407
Approved Date: Jul 09, 2025

1. RRC Operator No. 100951	2. Operator's Name (exactly as shown on form P-5, Organization Report) VITAL ENERGY, INC.	3. Lease Name SCHWARTZ Q	4. Well No. 7A
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 SPRABERRY (TREND AREA) (Field # 85280300, RRC District 08)			
6. Section 1	7. Block 35 T5S	8. Survey T&P RR CO	9. Abstract 360
10. County of BHL GLASSCOCK			
11. Terminus Lease Line Perpendiculars 100 ft. from the S line. and 561 ft. from the E line			
12. Terminus Survey Line Perpendiculars 100 ft. from the S line. and 561 ft. from the E line			
13. Penetration Point Lease Line Perpendiculars 101 ft. from the N line. and 555 ft. from the E line			

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

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

W-1 Comments

Permit #	908407
Approved Date:	Jul 09, 2025

[Jun 3, 2025 1:09 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.; [FILER Jun 3, 2025 1:16 PM]: HORIZONTAL ALLOCATION WELL. ULM SHOWN ON PLAT. SERVICE LIST PROVIDED. PUBLICATION WILL RUN AS SOON AS THE NOA IS PROVIDED.; [RRC STAFF Jun 5, 2025 8:55 AM]: INTERNAL - The HALFMANN 36G #2H may need to be added to the P-16.; [RRC STAFF Jun 5, 2025 3:52 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 6, 2025 4:21 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 11, 2025 9:07 AM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 11, 2025 9:08 AM]: Per conversation with operator the plat and P-16 are correct.; [RRC STAFF Jun 12, 2025 10:03 AM]: The operator is publishing on 6/12/2025 the date of issuance is on 6/16/2025. It will be ok to approve since all the wells will be run on the 12th when they were set up.; [RRC STAFF Jun 20, 2025 10:29 AM]: Publisher's affidavit and tear sheets attached.; [RRC STAFF Jul 2, 2025 4:38 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jul 9, 2025 8:17 AM]: Problems identified with this permit are resolved.; [RRC STAFF Jul 9, 2025 8:18 AM]: a withdrawal of the protest has been attached to the filing. The application can now be approved.; [RRC STAFF Jul 9, 2025 9:42 AM]: Exception Admin Approved. 37(h)(2)(A). Service List; Publication; Own Offset.