DRILLING PERMITS:

W-1 and P-16 Online Filing: Best practices for W-1 filing and Interactive P-16 workshop.

July 2025

AFFECTED STATEWIDE RULES

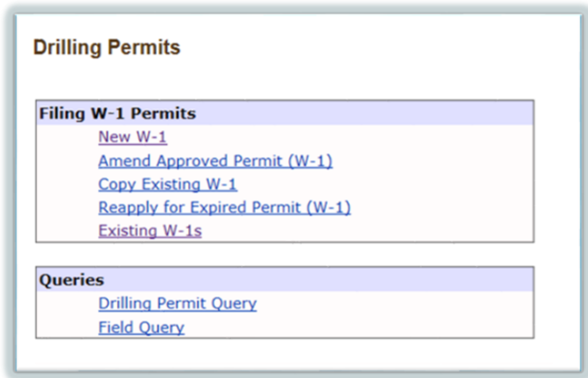
- **SWR 5: Plat and Purpose of Filing**
- **SWR 37: Lease Line and Between Well Spacing**
- **SWR 38: Density**
- **SWR 40: Double Assignment of Acreage**
- **SWR 86: Horizontal Wellbores and Off-Lease penetration points.**

- **SWR 5**:
    - Covers the requirements of plat construction and purpose of filing for the application
- **SWR 37**:
    - Between Well Spacing
    - Lease Line Spacing
        - For detailed information regarding SWR 37, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
- **SWR 38**:
    - Density rules
        - The total acreage will be looked at with respect to the well count and the proration acreage set forth in the field rules.
            - For detailed information regarding SWR 37, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
- **SWR 40**:
    - Covers double assignment of acreage:
        - Leases overlapping with wells in the same field

- Same acreage carrying two different lease names with wells in the same field.
- SWR 40 also involves overlapping producing intervals at the time of completion.
  - This aspect can only be determined at the time of completion, because the as drilled survey information is needed to determine the producing depth of the well.
  - *If a SWR 40 issue is resolved during the W-1 application process, there is a possibility that another one may still exist during the completion phase. This will need to be handled as the directed by the well compliance department.*

- **SWR 86**:
  - Covers horizontal wellbore rules
    - Plat construction for horizontal wells
    - Off Lease penetration point procedures

LET’S GET STARTED



Filing W-1 Permits:

- **New W1**:
  - Use this option if you are filing for a brand new well.

- **Amend Approved Permit (W-1)**:
  - Use this option if you need to amend an existing permit.
    - There are various reasons for amending an application, some of the more common ones are:
      - Surface Location has changed
      - Adding a field
      - Converting from Allocation or PSA to a pooled unit, or going from a pooled unit to an Allocation or PSA.
        - Converting from an Allocation to a PSA, or the reverse, will not require an amendment provided several conditions are met:
          - *If permitted as an Allocation, but completed as a PSA:*
            - Developmental tracts are the same as approved W-1
            - SWR 37 is in place for where the well crosses into each developmental tract

- If NPZ's are in place, these should also be the same on the completion plat. If these are different, an amended W-1 <u>may</u> be required before the well can be completed, due to the potential of mineral interests not being previously notified of the Rule 37. Please call the Drilling Permits group if you have any specific case by case questions regarding this situation.
    - NPZ's can only resolve Rule 37 Lease Line exceptions.
- You have met the percentage of agreement:
    - At least 65% of the MINERAL ***and*** the WORKING Interests in ***each*** developmental tract
    - The percentage statement detailing the above percentages is shown on the P-16.
- If it is a Stacked Lateral:
    - The parent well must also be a PSA
    - Stacked Lateral lease name is the same as the parent well
    - Developmental tracts must be the same as the parent well
- If it is a Stand-Alone well
    - Lease name must be unique

- *If permitted as a PSA, but completed as an Allocation:*
    - Developmental tracts are exactly the same as approved W-1
    - SWR 37 is in place for where the well crosses into each developmental tract
        - If NPZ's are in place, these should also be the same on

the completion plat. If these are different, an amended W-1 <u>may</u> be required before the well can be completed, due to the potential of mineral interests not being previously notified of the Rule 37. Please call the Drilling Permits group if you have any specific case by case questions regarding this situation.

- NPZ's can only resolve Rule 37 Lease Line exceptions.

- If it is a Stacked Lateral:
    - The parent well must also be an Allocation
    - Stacked Lateral lease name is the same as the parent well
    - Developmental tracts must be the same as the parent well
- If it is a Stand-Alone well
    - Lease name must be unique

- There are changes that can be made at the time of completion which do not require an amendment.
    - Changing the well number or lease name are two common amendment types that we see, both of which can be done at the time of completion. You do not need to file an amendment to change these aspects of a permit. You will, however, need to file all completion documents in support of the new change: Plat, P-16, P-12, etc., should all match the completion.

- There are some changes that require providing current lease conditions when amending a permit.
    - Adding a new field with an amendment
        - If the original fields are present on the amendment, they do not need to represent current conditions, only the new field does.
    - Increasing or Decreasing acreage.
    - Changing a well from a stacked lateral to become a record

well

        - This applies to becoming either a parent well for a different set or becoming a stand-alone well.
    - If these situations are present when amending a permit, be careful with using the option to associate the original attachments. The original attachments may not represent the current lease conditions at the time of the amendment and may result in a problem letter being sent from the application.

  - If you are asked to amend an application due to communication received from a G-1 or W-2 filing, it is required to attach a screenshot of the message from the respective filing. This is so that the Drilling Permits Unit can understand why the amendment is being filed.
  - **Please add a brief explanation to the comments tab of your W1 as to why the permit is being amended. *This should be done for all amendments, regardless of who requested it to be filed.***

- **Copy Existing W-1**:
  - This option will duplicate all the characteristics and attributes of an existing permit. This option can be useful for a couple of different situations:
    - If mechanical trouble was encountered while drilling, for instance, and a replacement well needs to be applied for, you could use this option. Current lease conditions will be required. This means the well count and any applicable P-16 needs to account for all well activity and applied for locations up to the time of the replacement filing.
      - This option can shortcut filling out an application, however, you may still need to adjust a few values based on the above statement.
      - An example of this is if a casing collapse occurs and you need to skid the rig to drill a new SHL, but then drill back into the originally intended path. Copying the W-1 in this case will fill all the information, and you will just need to adjust the SHL information.
    - If you are filing multiple permits at the same time, this option can save you time during this process.
      - BE CAREFUL when doing this, as the lease line calls and well counts will need to be corrected for each permit.

- **Reapply for Expired Permit (W-1)**:
  - If you have a permitted location, and the approved permit expires, you may use this option to re-permit the location for a fresh 2-year time period.

            - The main benefit of this option, is that you can retain the exact same API number.
            - *Be advised, this option requires providing current lease conditions.* There is an option to use the attachment from the expired permit. It is strongly advised to review the attachment before using this feature. If new wells were filed after the original approval of the expired permit, you will need to account for these wells when using this Re-Apply feature.
                - Example: The P-16 may show 2 wells on the original approval, however, 8 wells have been permitted since then. The P-16 needs to show the original 2 wells, and the 8 wells that came after.
                    - Additionally, the plat may need to be revised as well, to account for new wells that are now the "nearest well in the field."

- **Existing W-1s**:
    - This is your workspace for building applications.
    - Any W-1 application that you are working on, will be stored here. In the upper left of the application it will be titled "Work in Progress."
    - **RRC staff cannot see applications in your workspace.** If you have any questions regarding permits that are "work in progress," you will need to be detailed with your questions, so that staff can assist you, or provide screenshots in an email.
    - **Any permit labeled "work in progress" has not yet been paid for or submitted to the RRC system and is not under review.**
    - If you have paid for an application, yet it still shows work in progress, call the Drilling Permits department at 512-463-6751, so that the issue can be looked into (See Slide 38 for more details).

Queries:

- **Drilling Permit Query**:
    - If you need to look up a permit, this option is your best resource.
    - There are numerous search fields in this query that may assist you in looking up a permit.
    - The most direct way to find a permit is by using the Permit or Status, or the API (if this information is known).
    - At least one field needs to contain information to initiate a search.
    - If you get an error message that states your search returned too many results, you will need to refine your search criteria so that the number of results can be filtered and reduced.

- Be careful about inputting information in too many fields. Fewer results will be returned if you are too specific, and you will need to be very accurate with the information in these cases.

- **Field Query**:
  - This query will assist you in looking up a regulatory field.
  - This can be helpful for inquires about the field rules, or to obtain a field number for filing your application.
  - The search options under this link are different than what is found on the search function associated with the Field List tab.

WHAT IS YOUR PURPOSE OF FILING?

- **NEW DRILL – Brand new well.**
- **RECOMPLETION – Existing completed well to be re-worked.**
- **RE CLASS – Oil to Gas, Gas to Oil and the rules are different.**
  – Non-producing type to producing type.
- **FIELD TRANSFER – Changing field w/o placing rig on site.**
- **RE ENTER – Well is plugged to surface and being re-entered.**

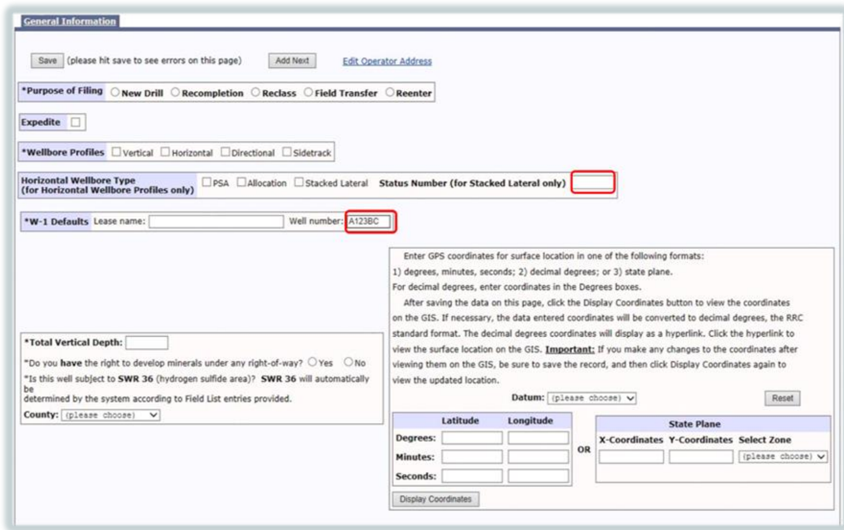
- **New Drill**:
  - For brand new wells or amendments of a new drill application
- **Recompletion**:
  - For additional work done to a wellbore after it has been completed:
    - Deepening a well below original completion depth.
    - Adding new perforations in a new field (either above or below the original field that the well was completed in).
    - Adding a field for SWR 10.
      - If a W-1 has been validated following the review of a G-1 or W-2, a recompletion is required to add the SWR10 field.
    - If you are adding new perforations within the same regulatory field (above the previous completion depth) and do not go into a new regulatory field, you will not need to file an application for the work.
      - Notifying the district office and filing a well record only W-2, in order to update the completion, is what will be needed in this case.
- **Reclass:**
  - There are two specific situations when a reclass permit is needed:

- If you are converting an injection well into a producing well
- If you are going from Oil only to Gas only, or vice versa, and the field rules are different for oil and gas
  - If the field rules are the same for oil and gas:
    - You will not need a reclass permit, but instead, will instead file a well record only G-1 or W-2.

- **Field Transfer:**
  - If you have been given permission or have been directed to transfer the well into a different regulatory field from what was on the original completion packet.
    - This is done on paper only. If physical work is needed to move into the new field, this will be a recompletion.
    - Generally requested by well compliance or engineering due to overlapping completion intervals, in many cases resolving a Rule 40 issue.
  - An approved field transfer letter from the RRC Engineering Unit will be required with this type of application.

- **Reenter:**
  - If you are performing work in a wellbore that was previously plugged, you will apply for a re-entry permit.

GENERAL INFORMATION TAB – FIRST HALF



The General Information Tab is where the basic details of the wellbore will be entered:

- **Select the Purpose of Filing**
    - Please see the Notes on Slide #4 for details on the various choices.

- If **Expedite** is chosen, this option will add an additional $375 to the permit fee.
    - Expedite places a review priority on your application ahead of those that were not expedited.
    - All permits flagged as expedite will be reviewed in the order of submittal. This does guarantee, nor is it intended to imply, a same day approval.

- **Select the wellbore profile**.
    - More than one can be selected. For example: Vertical and Horizontal can both be selected; however, you will need to provide two separate plats, one for each type of profile selected.

- **PSA, Allocation**, and **Stacked Lateral** do not have to be selected. These will be used only when applicable.
    - If selecting stacked lateral, please make sure to accurately enter the parent well's status number in the provided space. See below.

- **Stacked Lateral Status Number** will only be used if the well that is being applied for is a stacked well (aka: child well). The number entered in this box will correspond to the permit number for the parent well that this child well is being stacked with.
    - Applications for the parent wells should **always** be submitted **before** the child wells.
    - If your stacked lateral well is a PSA or Allocation it is **required** to use the exact same tract setup as the parent well is using.
        - If your plat shows a different set of tracts are being used on the stacked well, you will receive a problem letter that states it cannot be a stacked well.

- **Lease name** should match all documents attached to the W1 application.
    - The lease name can also be corrected on the Field Details tab, in the Basic Details section.

- Enter the **well number** for your wellbore. The well number can be up to 6 characters long and follows the following format:
    - 1st Character = Alpha or Numeric
    - 2nd Character = Numeric
    - 3rd Character = Numeric
    - 4th Character = Numeric
    - 5th Character = Alpha
    - 6th Character = Alpha

- **Total Vertical Depth** is the deepest point the well will be drilled to.
    - This can be deeper than the completion depth, but cannot be shallower than the completion depth.
    - The total depth can be exceeded by either **2%** OR **100ft.** *Whichever is greater.*

- The **County** selection on this page should reflect the county that the Surface Location exists in.

- **GPS Coordinates** are required for the surface location. (See next slide for additional information).

GPS COORDINATES (1 of 2)

GPS coordinates for the SHL are required.

It is ok, and helpful, to provide coordinates for all points on the plat.

- **Coordinates must be shown on the plat:**
  - **Do not enter a set of coordinates on the W-1 that are not shown on the plat.**

- **GPS Coordinates** are required for the surface location.
  - It is very helpful if you provide the coordinates for all points of a well:
    - *Vertical:* the SHL
    - *Directional:* the SHL and BHL
    - *Horizontal:* the SHL, POP, FTP, LTP, and BHL
  - Although only the SHL is required, providing coordinates for all points can potentially resolve any survey line measurement discrepancies, and can also lead to a more accurate mapped location of your well within the RRC GIS viewer.

  - **Please ensure that the datum is accurate.**

  - **Degrees Minutes Seconds (DMS):**
  - If using DMS, enter each number in the appropriately labeled boxes on the W-1 application
    - *Use only 2 places after the decimal in the seconds box*
      - If you have more than 2 decimal places, DO NOT round up. Simply cut off everything after the second decimal place.
    - *If you are trying to convert DD coordinates so you can enter them as DMS:*
      - DO NOT simply split apart them numbers and enter them in the DMS boxes.

- We have some applications in which the first two digits of a set of DD coordinates were entered in the Degrees box, the next two digits were entered in the Minutes box, and the remaining numbers entered in the Seconds box, with a decimal place after the second digit in this box. This will change the actual location of the well, and lead to inaccuracies in the GIS viewer.
- You need to use an actual coordinate conversation tool, otherwise you will change the accuracy of the coordinates, and affect the mapped location of the well.

- **Decimal Degrees (DD):**
- If using DD, you will enter the full number in ONLY the Degrees box for latitude and longitude. (nothing will be in the Minutes or Seconds box).
    - *Use only 6 places after the decimal in the seconds box*
        - If you have more than 6 decimal places, DO NOT round up. Simply cut off everything after the sixth decimal place.
    - *If you are trying to convert DMS coordinates into DD:*
        - DO NOT simply combine the DMS numbers and add a decimal after the second digit. This will change the actual location of the well and lead to inaccuracies in the GIS viewer.
        - You need to use an actual coordinate conversation tool, otherwise you will change the accuracy of the coordinates, and affect the mapped location of the well.

- **State Plane (SP):**
- If using SP, you will enter the full number in the corresponding X and Y boxes.
    - *Use only 2 places after the decimal in the seconds box*
        - If you have more than 2 decimal places, DO NOT round up. Simply cut off everything after the second decimal place.
- Please ensure that the SP Zone information is accurate.
    - *There are five ST Zones in Texas:*
        - North (4201)
        - North Central (4202)
        - Central (4203)
        - South Central (4204)
        - South (4205)
- The zone information must also be shown on the plat. If it is not, you will receive a problem letter.

    - SP coordinates are not complete without the zone, hence the above statement regarding the plat.

- We frequently receive W-1 applications on which a specific set of coordinate is being used, such as DMS, but the plat only show DD or SP.
    - Please DO NOT add a set of coordinates to the W-1 that is not shown on the plat.
        - You will be sent a problem letter, and this will delay the review time of your W-1.
        - Simply look at the plat and use what is shown.
            - If there is more than one set of coordinates, just pick one of them.
            - If a set of coordinates is on the plat, they can be used on the W-1.

GPS COORDINATES (2 of 2)

- **Datums allowed:**
  - **GCS NAD 27, GCS NAD 83, and WGS 84.**

- **Coordinate systems accepted:**
  - **Degrees Minutes Seconds.**
  - **Decimal Degrees.**
  - **State Plane.**
    - ***The State Plane Zone is required on the plat.***

- **GPS Coordinates** are required for the surface location.
  - It is very helpful if you provide the coordinates for all points of a well:
    - *Vertical:* the SHL
    - *Directional:* the SHL and BHL
    - *Horizontal:* the SHL, POP, FTP, LTP, and BHL
  - Although only the SHL is required, providing coordinates for all points can potentially resolve any survey line measurement discrepancies, and can also lead to a more accurate mapped location of your well within the RRC GIS viewer.

  - **Please ensure that the datum is accurate.**

  - **Degrees Minutes Seconds (DMS):**
  - If using DMS, enter each number in the appropriately labeled boxes on the W-1 application
    - *Use only 2 places after the decimal in the seconds box*
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- You need to use an actual coordinate conversation tool, otherwise you will change the accuracy of the coordinates, and affect the mapped location of the well.

- **Decimal Degrees (DD):**
- If using DD, you will enter the full number in the ONLY Degrees box for latitude and longitude. (nothing will be in the Minutes or Seconds box).
  - *Use only 6 places after the decimal in the seconds box*
    - If you have more than 6 decimal places, DO NOT round up. Simply cut off everything after the sixth decimal place.
  - *If you are trying to convert DMS coordinates into DD:*
    - DO NOT simply combine the DMS numbers and add a decimal after the second digit. This will change the actual location of the well and lead to inaccuracies in the GIS viewer.
    - You need to use an actual coordinate conversation tool, otherwise you will change the accuracy of the coordinates, and affect the mapped location of the well.

- **State Plane (SP):**
- If using SP, you will enter the full number in the corresponding X and Y boxes.
  - *Use only 2 places after the decimal in the seconds box*
    - If you have more than 2 decimal places, DO NOT round up. Simply cut off everything after the second decimal place.
- Please ensure that the SP Zone information is accurate.
  - *There are five ST Zones in Texas:*
    - North (4201)
    - North Central (4202)
    - Central (4203)
    - South Central (4204)
    - South (4205)
- The zone information must also be shown on the plat. If it is not, you will receive a problem letter.

- SP coordinates are not complete without the zone, hence the above statement regarding the plat.

- We frequently receive W-1 applications on which a specific set of coordinate is being used, such as DMS, but the plat only show DD or SP.
    - Please DO NOT add a set of coordinates to the W-1 that is not shown on the plat.
        - You will be sent a problem letter, and this will delay the review time of your W-1.
        - Simply look at the plat and use what is shown.
            - If there is more than one set of coordinates, just pick one of them.
            - If a set of coordinates is on the plat, they can be used on the W-1.

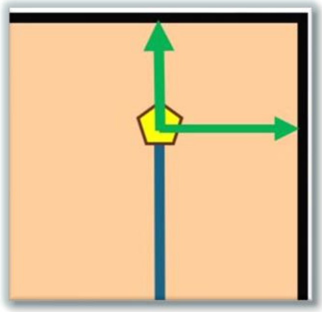
SURFACE LOCATION INFORMATION

- At least the survey name of the surface location.
  - Enter the Abstract # then click AutoPopulate.
- Distance & Direction FROM the nearest town TO the surface location.
- 2 non-parallel perpendicular survey line calls.
  - These are geographic reference calls.

- If you enter the **abstract number** in the appropriate field, and then click the "Auto-populate" button, the survey information will be automatically entered from the RRC database.

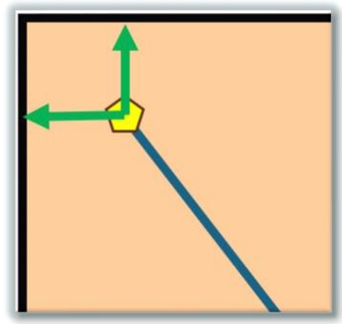
- The **distance from the nearest town** should be exactly that. Where is the wellbore with respect to the town.
  - To reach the wellbore from the town, which direction do you need to head?
  - This is not the wellbore to the town, but rather the town to the wellbore.

SURVEY CALL DISTANCE CALLS (1 OF 2)



- The wellbore above is perpendicular to the north line and parallel to the east line.
- The calls are 90-degree angles off the survey line.

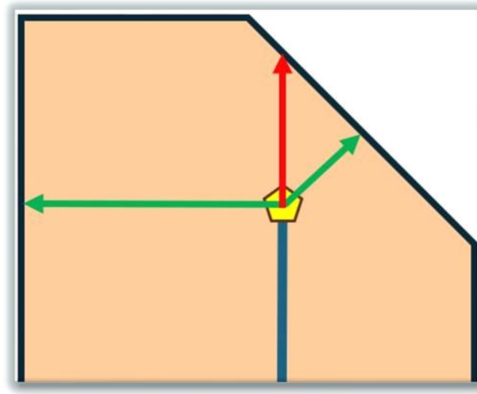
- The wellbore below is at an angle to both survey lines; the survey calls are still tied to the survey lines at 90-degree angles.



- **Survey perpendiculars are two non-parallel survey line calls**.
  - You cannot call to a survey line corner.
  - These calls must come off the survey lines at 90-degree angles.
    - These calls do not need to meet the well location at 90 degrees.
    - If these meet the well's location at a 45-degree angle, for example, that will be ok so long as they come off the referenced survey lines at 90 degrees.
      - There may some exceptions due to an irregular shaped survey section. It you find yourself in one of these areas, do your best to make these calls as close to 90 degrees as possible.
  - Survey line extensions are allowed. (Lease line extensions are NOT allowed).

SURVEY LINE DISTANCE CALLS (2 OF 3)

- When the survey line is at an angle, the distance call will still be 90-degrees off that line.
- The SHL can use the NE call and the West call.
- The SHL cannot use the North call because it is not 90-degrees off the survey line.



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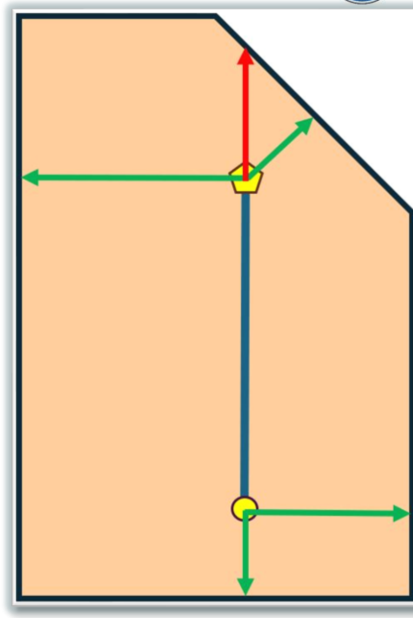
        - These calls do not need to meet the well location at 90 degrees.
        - If these meet the well's location at a 45-degree angle, for example, that will be ok so long as they come off the referenced survey lines at 90 degrees.
            - There may some exceptions due to an irregular shaped survey section. It you find yourself in one of these areas, do your best to make these calls as close to 90 degrees as possible.
    - Survey line extensions are allowed. (Lease line extensions are NOT allowed).

SURVEY LINE DISTANCE CALLS (3 OF 3)

- **The shape of the survey section may require a combination of different directions.**

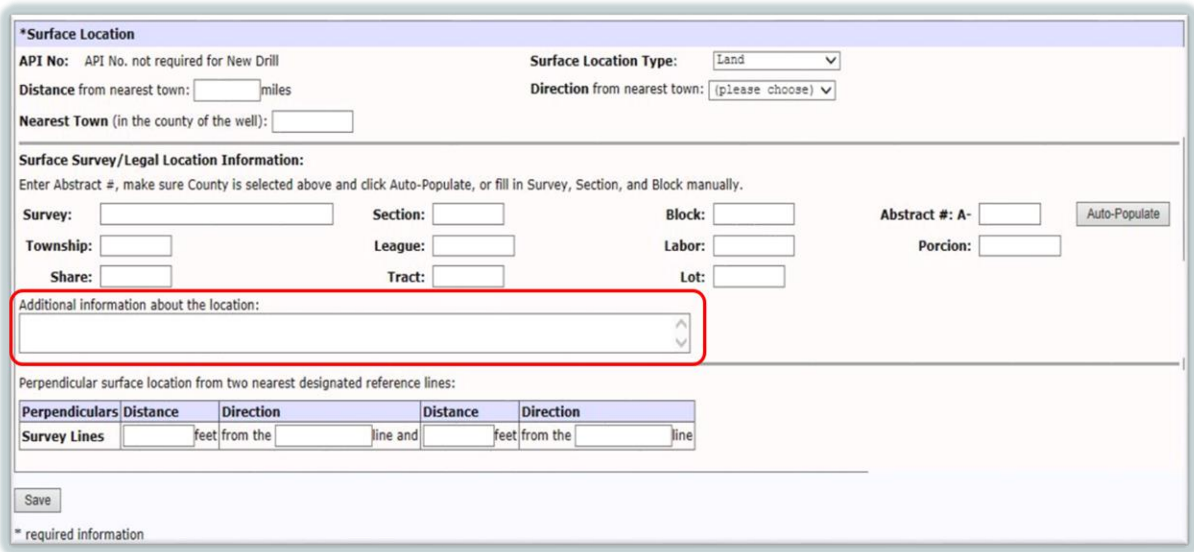
- **The SHL will use the Northeast and West survey lines.**
- **The BHL will use the East and South survey lines.**

- **These are the lines that 90-degree calls be made from.**



- **Survey perpendiculars are two non-parallel survey line calls**.
  - You cannot call to a survey line corner.
  - These calls must come off the survey lines at 90-degree angles.
    - These calls do not need to meet the well location at 90 degrees.
    - If these meet the well's location at a 45-degree angle, for example, that will be ok so long as they come off the referenced survey lines at 90 degrees.
      - There may some exceptions due to an irregular shaped survey section. It you find yourself in one of these areas, do your best to make these calls as close to 90 degrees as possible.
  - Survey line extensions are allowed. (Lease line extensions are NOT allowed).

GENERAL INFORMATION TAB – SECOND HALF


*Surface Location
API No: API No. not required for New Drill
Surface Location Type: Land
Distance from nearest town: miles
Direction from nearest town: (please choose)
Nearest Town (in the county of the well):
Surface Survey/Legal Location Information:
Enter Abstract #, make sure County is selected above and click Auto-Populate, or fill in Survey, Section, and Block manually.
Survey: Section: Block: Abstract #: A- Auto-Populate
Township: League: Labor: Porcion:
Share: Tract: Lot:
Additional information about the location:
Perpendicular surface location from two nearest designated reference lines:

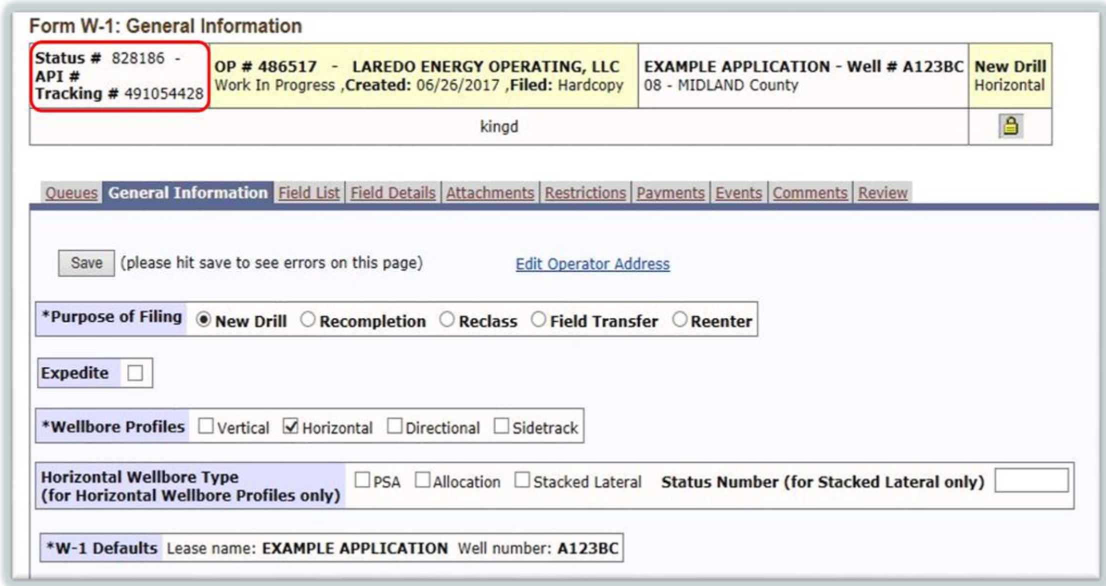
Perpendiculars	Distance	Direction	Distance	Direction
Survey Lines	feet	from the line and	feet	from the line

Save
* required information

- **The information entered at the bottom of the general information tab will pertain to the Surface Location only.**
  - This includes the survey perpendiculars, survey information, and nearest town information.
- If your purpose of filing is recompletion, re-entry, or reclass; you will enter the API number in the provided box.
- If you enter the abstract number in the appropriate field, and then click the "Auto-populate" button, the survey information will be automatically entered from the RRC database.
- **The additional survey information box is for any additional survey names**.
  - If using the auto-populate feature, any additional survey information will show up here.
  - **This box is not for notes about the wellbore. If it is necessary to provide additional information about your wellbore, please do so on the COMMENTS TAB and NOT IN THIS BOX.**
    - Please see Slide #25 for comment box information.
- **Survey perpendiculars are two non-parallel survey line calls**.
  - You cannot call to a survey line corner.

- If you are calling to a survey corner, do not use either of the two other lines coming off of that corner, for the second call.
    - The corner is a point along a line, and the calls need to be made to separate lines.
- These calls must come off the survey lines at 90-degree angles.
  - These calls do not need to meet the well location at 90 degrees.
  - If these meet the well's location at a 45-degree angle, for example, that will be ok so long as they come off the referenced survey lines at 90 degrees.
    - There may some exceptions due to an irregular shaped survey section. It you find yourself in one of these areas, do your best to make these calls as close to 90 degrees as possible.
- Survey line extensions are allowed. (Lease line extensions are NOT allowed.)

PERMIT NUMBER AND TRACKING NUMBER


Form W-1: General Information

Status # 828186 -
API #
Tracking # 491054428

OP # 486517 - LAREDO ENERGY OPERATING, LLC
Work In Progress ,Created: 06/26/2017 ,Filed: Hardcopy

EXAMPLE APPLICATION - Well # A123BC
08 - MIDLAND County

New Drill
Horizontal

kingd

Queues | General Information | Field List | Field Details | Attachments | Restrictions | Payments | Events | Comments | Review

Save (please hit save to see errors on this page) Edit Operator Address

*Purpose of Filing: New Drill, Recompletion, Reclass, Field Transfer, Reenter

Expedite

*Wellbore Profiles: Vertical, Horizontal, Directional, Sidetrack

Horizontal Wellbore Type (for Horizontal Wellbore Profiles only): PSA, Allocation, Stacked Lateral — Status Number (for Stacked Lateral only)

*W-1 Defaults Lease name: EXAMPLE APPLICATION Well number: A123BC

The top of the permit screen shows a title banner with core information about the permit:

- **Status Number** – This will be automatically generated when you start building your application. Once approved, this will become the permit number.
    - An approved permit is good for **Two Years from the date of original approval** and will be referenced by the approved permit number.
        - Amending a permit will not increase this timeframe.

- **Tracking Number** – This number will only be visible up until you submit and pay for the application. If you continue to see this number, that means your application is still in your work in progress queue and cannot be viewed by an RRC employee. Only the user will see these applications, and the work in progress will be specific to that user's login information.
    - If you have made a payment, and still see a tracking number, this indicates that something happened during the payment process, and your application was not successfully submitted. If this happens, contact the Drilling Permits Department at 512-463-6751.

- The **API number**, seen in the screenshot, will be generated once the initial review of the permit begins.
    - If you are filing an amendment, recompletion, reentry, or reclass, then you

will see the API number on this screen already.

- The **Operator Name** will be set based on the login information for the account being used to create the permit.
    - If you have recently taken over a lease from another operator, and need to amend existing permits into your name:
        - Log in with your account information
        - Select “Amend Approved Permit (W-1)”
        - After entering the permit number, your operator name will now be in the title banner.

- The **Lease Name** will populate after you have entered it on this tab, in the lease name box.

FIELD LIST TAB (1 of 6)

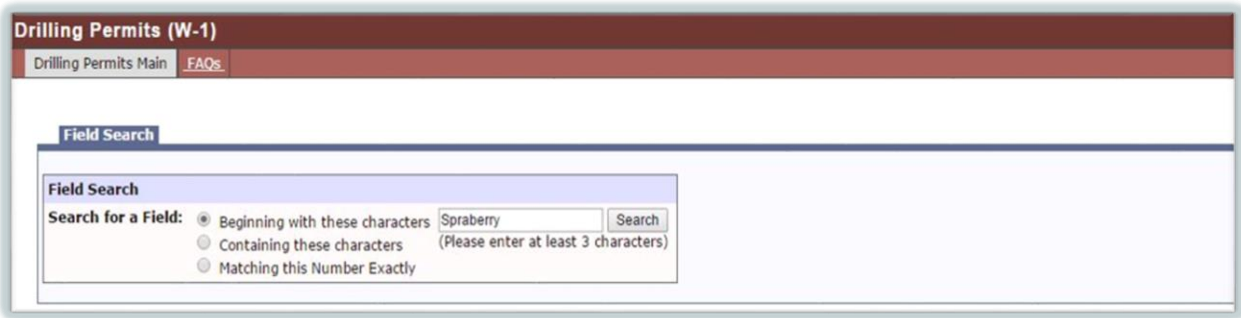
- The Field List tab is where your proposed fields are entered.

- Drilling Permits staff will not question your proposed fields.
  - We do not know what your intended drilling plans are.
  - Staff will review what is submitted, as submitted.
  - Please ensure you have entered the correct field.

FIELD LIST TAB (2 of 6)

- You will add the **Regulatory Field(s)** you wish to apply for on this page.
- More than one field may be added.
- If more than one field is selected, each set of field rules must be met for compliance, otherwise a Statewide Rule exception may be triggered for each field in which the minimum field rules are not met.
  - Some fields have different rules for Oil and Gas wells. If you are going to select a well type of "Oil or Gas," on the field details tab, then you will be required to meet **BOTH** sets of rules.

FIELD LIST TAB (3 of 6)



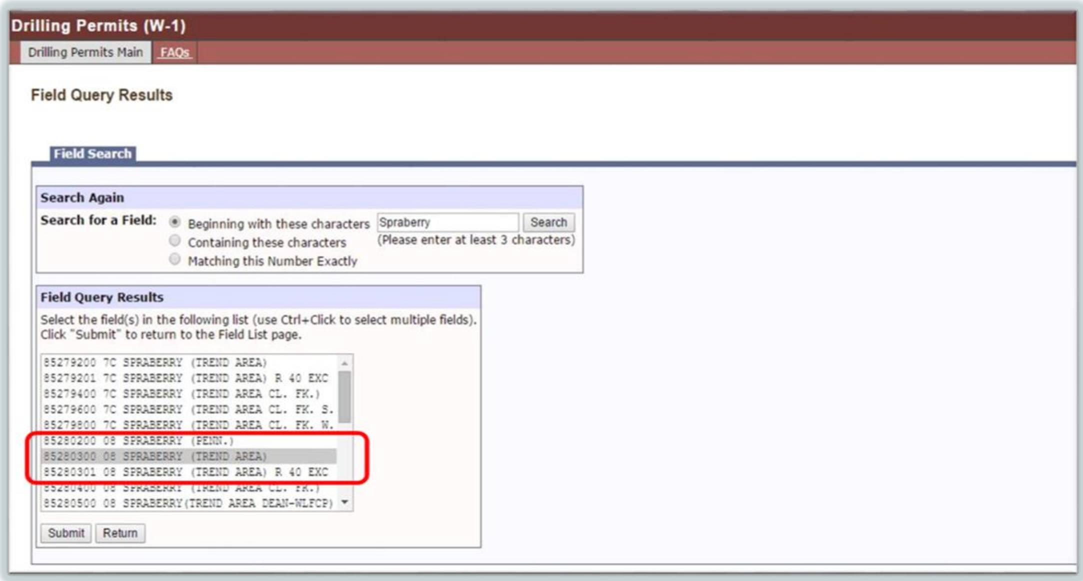
- **There are three options available to look up a field:**
  - If using the "Beginning with these characters" option, your typing needs to be exact, or your particular field may not show up.
  - If the field number is not known, the second option "Containing these characters" will be the best choice. You only need to enter a portion of the field name, and a list will populate with all fields that match your entry. You will then choose the specific field from the list that you wish to apply for.
  - If the regulatory field number is known, this is the best option to use when selecting the field.

- When selecting a field, be mindful of the district assignment. If the application is for an established lease, the field should be chosen based on the district that the lease is built in. If this is the first well on a lease, the district should be chosen based on the location of the point of first production.
  - Ex: If your SHL is in District 8, and your first point of production is in District 7C, you will choose the appropriate District 7C field, because your lease will be built with a District 7C ID number.

- **As mentioned previously, we do not question the field that is chosen. If you select an incorrect field, it will be your responsibility to file an amended W1 to correct the problem. If you notice the issue before your application is approved, you may call the Drilling Permits department so that the W-1 can be held and**

the field can be corrected. This will delay your W-1 approval, because a review will need to be performed on the new field; but it will prevent you from having to amend after approval.

FIELD LIST TAB (4 of 6)



- **Some fields have multiple district assignments. Please be mindful of this**.
  - If a lease has already been established in the applied for field, the district for the field should match the district assignment of the lease.
  - If this is the first well on the acreage and in the field, the district assignment should match the district that the point of first production is located in.

- **If a field has multiple district assignments, and you choose the wrong one, you will need to amend the permit if this has not been caught prior to approval. As previously mentioned, the fields being applied for will not be questioned by the analysts reviewing the permit application.**

FIELD LIST TAB (5 of 6)

- Primary field designation is selected on this tab
  - Determines the Lease Name, District Number, and well number displayed in the banner at the top, while inside of the W-1 application.
  - Primary field can be changed once another field has been added.

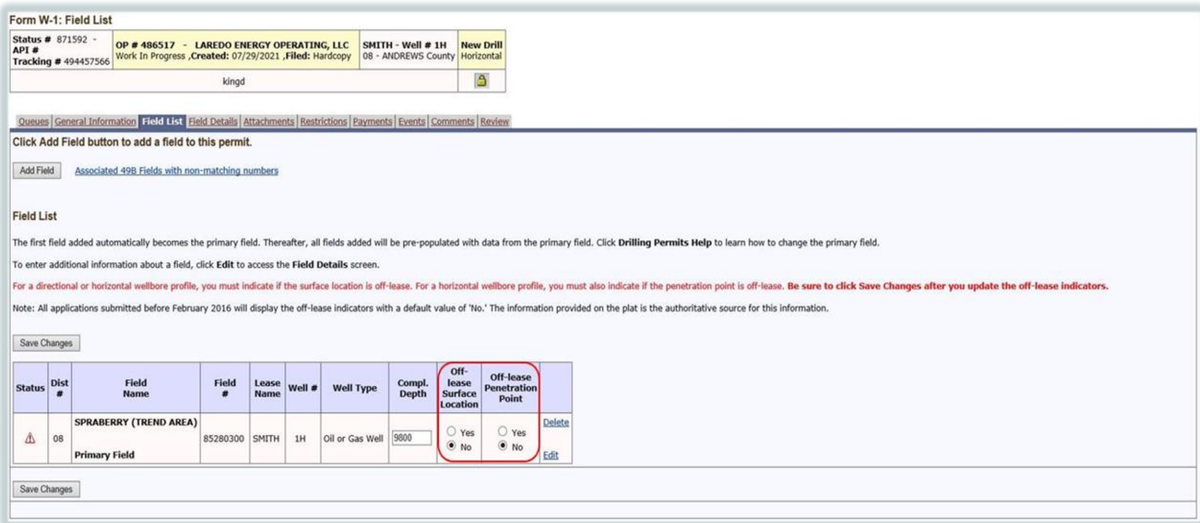
- SHL and PoP can be designated as “off-lease” on this tab.

The field that is designated as the Primary Field on the Field List tab will affect information in the banner at the top of the W-1 application.

- **Please note that this pertain to the banner while you are working inside the application or viewing the W-1 from the Drilling Permit Query.**
- **When you look up a permit number, the results screen will show a one row block of information.**
  - **The District Number that is displayed while viewing the query search results will be based on the District assignment for the County that the SHL is located in (the county selected on the General Information screen).**
  - **If you click on the lease name from the query search results page and go into the W-1 information page, the District shown at the top will be based on the District assignment for the field that has been designated as the primary field.**

We do not question the field selections while reviewing the W1. Please ensure that your selections are accurate for your intended wellbore and correspond to any district assignment for an existing lease, if applicable.

FIELD LIST TAB (6 of 6)


Form W-1: Field List

Status # 871592 - **API #** **Tracking #** 494457566	**OP # 486517 - LAREDO ENERGY OPERATING, LLC** Work In Progress ,**Created:** 07/29/2021 ,**Filed:** Hardcopy	**SMITH - Well # 1H** 08 - ANDREWS County	**New Drill** Horizontal
kingd			

Queues | General Information | Field List | Field Details | Attachments | Restrictions | Payments | Events | Comments | Review

Click Add Field button to add a field to this permit.

Add Field   Associated 49B Fields with non-matching numbers

Field List

The first field added automatically becomes the primary field. Thereafter, all fields added will be pre-populated with data from the primary field. Click **Drilling Permits Help** to learn how to change the primary field.

To enter additional information about a field, click **Edit** to access the **Field Details** screen.

For a directional or horizontal wellbore profile, you must indicate if the surface location is off-lease. For a horizontal wellbore profile, you must also indicate if the penetration point is off-lease. **Be sure to click Save Changes after you update the off-lease indicators.**

Note: All applications submitted before February 2016 will display the off-lease indicators with a default value of 'No.' The information provided on the plat is the authoritative source for this information.

Save Changes

Status	Dist #	Field Name	Field #	Lease Name	Well #	Well Type	Compl. Depth	Off-lease Surface Location	Off-lease Penetration Point	
⚠	08	**SPRABERRY (TREND AREA)** **Primary Field**	85280300	SMITH	1H	Oil or Gas Well	9800	Yes / No	Yes / No	Delete Edit

Save Changes

- **Completion depth** :
  - This is the subsurface depth at which you will be producing from. This cannot be deeper than the total depth.

- If your **surface hole location (SHL) is located off-lease**, please select yes from this page. No additional documentation, or plat notation is required for an off-lease SHL.
  - If Yes is selected, the system will auto-populate your survey call distances into the lease line distances on the Field Details tab. These distances can only be edited in the survey call fields on the general information tab, as long as the SHL is shown as being off lease, on this tab.

- If your **point of penetration (PoP) is located off-lease**, please select yes from this page.
  - Additional documentation and procedures will be required. Please see the Notes on Slide #15 for detailed specifics.
  - On the Field Details Tab, you will enter Survey Line distances for your PoP lease calls on the Field Details tab if this location is off lease.
    - If the PoP is off lease, please ensure that the plat shows survey calls and not lease calls.

FIELD DETAILS TAB (1 of 11)

- Nearest Lease Line Distances
  - Spacing verification, not geographic reference.
- Nearest Well Distance
- Total Wells on Lease
- Total Acres in the Lease

- **The nearest lease line distances are determined from the producing portion of the wellbore**:
  - The producing portion of the wellbore is identified as the following:
    - Vertical Wells: The well's mapped location.
    - Directional Wells: The BHL (Terminus) of the wellbore.
      - Do NOT use the distance from the SHL.
    - Horizontal Wells: The nearest point along the producing segment (FTP through and including the LTP).
      - Do NOT use the distance from the SHL, PoP, or BHL unless the FTP or LTP is located at the same spot as one of these locations.
  - For Allocation and PSA permits, the nearest lease distance should reference the distance to the nearest external lease line, and not the boundary of any tracts involved with the developmental acreage.
  - If the regulatory field contains dual lease line spacing there will be a box for the nearest heel/toe distance from a take point to a lease line, and the nearest perpendicular distance from a take point to a lease line.

- **The nearest well distance will also be calculated based on the producing portion of the well.**
  - The producing portion of the wellbore is identified as the following:
    - Vertical Wells: The well's mapped location.

- Directional Wells: The BHL (Terminus) of the wellbore.
  - Do NOT use the distance to another SHL.
- Horizontal Wells: The nearest point along the producing segment (FTP through and including the LTP).
  - Do NOT use the distance to another SHL, PoP, or BHL unless the FTP or LTP for that well is located at the same spot as one of these locations.

- If a SWR 37 exception is flagged due to the value in the nearest lease line box or nearest well box, and this distance references a non-producing point of the wellbore, you will still be charged the exception fee at the time of payment. This exception will be removed during the review if it is found to be invalid. No refund will be given for the previously paid exception fee, per SWR 78.

- **Total well count** reflects the well count for the selected field only, and should include:
  - Includes:
    - Any applied for wells
    - Any permitted locations not yet drilled or expired
    - Any completed and producing wells
    - Shut in wells
    - TA'd wells
    - Wells on schedule listed as No Production
  - Does NOT include:
    - Expired or cancelled locations
    - Injectors or disposal wells
    - P&A'd wells
    - Service type wells
    - Water supply wells
    - Stacked Lateral wells
  - If permitting in a UFT field, the well count will be profile specific
    - Horizontals will ONLY count other horizontals within the same acreage and field.
    - Vertical and/or Directional wells will ONLY count other Vertical and/or Directional wells within the same acreage and field.

- **Total acres** in lease should reflect the total lease size, and not the proration size.
  - If filing for a pooled unit, the total acres must reflect the combined total of all tracts and be consistent with the P-12 acreage.
  - If filing for an Allocation or PSA, the total acres must reflect the combined total of all tracts that comprise the developmental unit.

FIELD DETAILS TAB (2 of 11)

- Pooled Unit/Unitized Lease
- Well Type
- Completion Depth
- Two Non-Parallel Perpendicular Lease Line Distances
  - Geographic Reference calls for location within lease boundary.

The information on this slide pertains to the Basic Details section of the Field Details tab.

- The **lease line distance boxes** on this page reference the SHL.
  - It is not correct to enter lease line calls from any other points in this section.
  - These are the ONLY two values on this entire page that should reference the SHL.

- The **distance to nearest lease line from surface location** box is new, due to a recent system updates.
  - The label is accurate, and this box is now asking for the nearest distance from the SHL.
  - Value should be entered accordingly.

- If this is a **pooled unit**, then please check the box and attach a P-12.

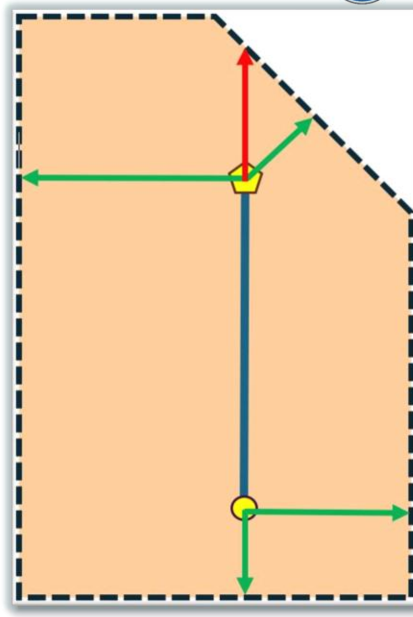
- If this is **unitized acreage**, then please check the box and enter the unitized docket number.
  - The unitized docket number is only need for unitized acreage and is not needed for pooled acreage only.
  - A P-12 will not be needed if you have a unitized docket number.

Well types:
- **Oil** – oil only producer
- **Gas** – gas only producer
- **Oil or Gas** – if this is chosen and two sets of field rules exist for each type, then both sets need to be met. If both sets of field rules are not met, the wellbore will be flagged with the appropriate exception that was violated.
- **Injection** – chose this if any material is being injected into the well bore for disposal or secondary recovery operations
- **Storage Well** – if you have been approved for a storage well, this option should be selected
- **Water Supply Well** – If the well being drilled will be providing fresh water, use this selection.
- **Exploratory Test Well** – this is for wildcatting, running logs, and new field discovery operations. If exploratory test is selected, the wellbore cannot be used for any other purpose in the future.
- **Type A Well** – if this is the only option that is visible, the field chosen may have been consolidated into another. You will need to research this in order to select the appropriate field. The RRC does not advise on which field to chose, in most cases.

- **Completion depth** :
    - This is the subsurface depth at which you will be producing from. This cannot be deeper than the total depth.

LEASE LINE CALLS

- **The two "non-parallel perpendicular lease line distances" will follow the same rules as the survey line calls distances.**
  - **Measured 90-degrees off the lease lines.**
- **These are geographic reference calls and are not used to determine Rule exceptions.**
  - **Unless one of these two calls also happens to be the nearest lease line distance.**
- **The SHL can use the NE call and the West call.**
- **The SHL cannot use the North call because it is not 90-degrees off the lease line.**

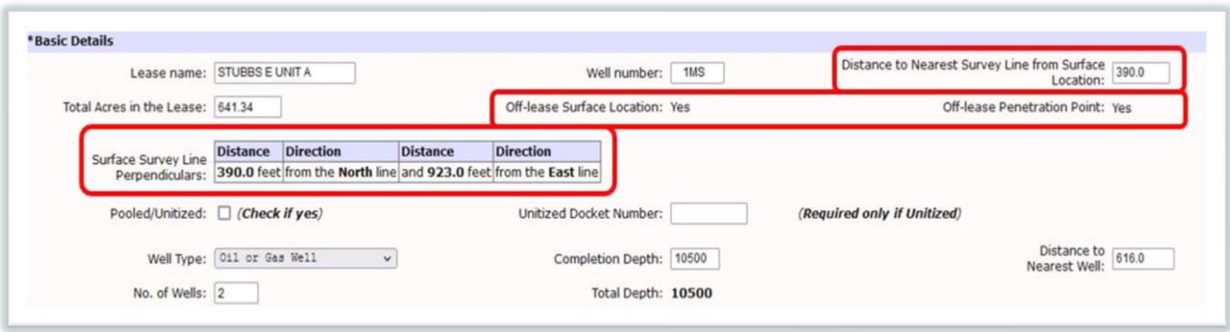


- **Lease Line perpendiculars are two non-parallel lease line calls**.
  - You may call to a lease line corner.
    - If you are calling to a lease line corner, do not use either of the two other lines coming off that corner, for the second call.
      - The corner is a point along a line, and the calls need to be made to separate lines.
  - These calls must come off the lease lines at 90-degree angles.
    - These calls do not need to meet the well location at 90 degrees.
    - If these meet the well's location at a 45-degree angle, for example, that will be ok so long as they come off the referenced lease lines at 90 degrees.
      - There may some exceptions due to an irregular shaped survey section. It you find yourself in one of these areas, do your best to make these calls as close to 90 degrees as possible.
  - Lease line extensions are NOT allowed. (Survey line extensions are allowed).

- **These are geographic reference calls.**
  - While one of them 'could' also double as a 'nearest lease line distance' (spacing verification), they won't always be.
  - If neither of the two geographic reference calls can be used as a 'nearest

lease line’ (spacing verification), you will need those added.

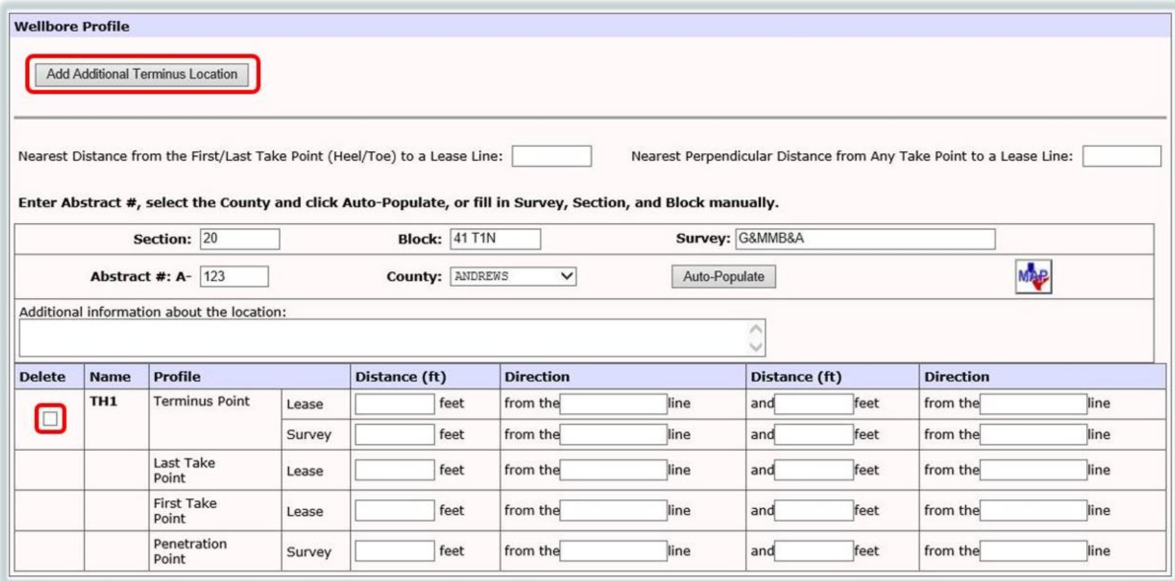
FIELD DETAILS TAB (3 of 11)



- The Basic Details area, on the Field Details tab, provides information for the SHL lease line calls as well as well count and between well spacing.
- The total acres are entered in this section, and the well type is also selected here.

- The lease name and well number can be edited here, after saving the information on the General Information tab.
  - If you are amending a W-1, you may change both the lease name and the well number in this section. (you cannot change it on the General Information tab if amending).

FIELD DETAILS TAB (4 of 11)



- **The abstract information shown on this tab should reflect the Bottomhole or Terminus location.**
    - This does NOT reference the SHL. The SHL survey information is captured on the General Information tab.
    - The information from the General Information tab will auto-populate to this page. If your Bottomhole or Terminus is in a different abstract than the Surface, be sure to change it on this tab, for each regulatory field on the W-1.

- All horizontal wells show the PoP, FTP, LTP and Terminus.
    - All these points are also required to be labeled on the plat, by rule.

- If your application is for a directional profile, you will only see the bottomhole information.

- All lease line calls should come off the lease lines at 90-degree angles, whenever possible. There may some irregular shapes that may prevent this, however, 90-degree calls from the lease lines should be used if at all possible. (These calls do not need to meet at the wellbore at a 90 degree, they just simply need to come off the lease lines at 90 degrees. This is the same principle as the SHL survey call requirements).

FIELD DETAILS TAB (5 of 11)

Field Rules

Oil Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N
Schedule Remarks: FIELD. ORDER SIGNED: 04/12/16
Comments: P-15, LIST & LEASE PLAT OR PRO. PLAT, UFT FIELD

Rule Type	Depth	Lease Spacing	Well Spacing	Acres per Unit	Tolerance Acres	Diagonal Code	Diagonal Max Length
Special Rules	All Depths	330	0	160.0	40.0	Corner to Corner	99999
Optional Rules	All Depths	467	0	80.0	0.0	Corner to Corner	99999

Gas Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N
Schedule Remarks: DESIGNATED AS UFT FIELD PER DOCKET 01-0299858
Comments: NO BETWEEN WELL SPACING

Rule Type	Depth	Lease Spacing	Well Spacing	Acres per Unit	Tolerance Acres	Diagonal Code	Diagonal Max Length
Special Rules	All Depths	330	0	40.0	0.0		0

- Information following the “don’t permit” category can sometimes be confusing.
  - If you see “N,” this means you CAN permit in the field.
  - If you see “Y,” then this means that you should not be applying for the chosen field and should chose another one.

A summary of the field rules is shown in this section. As mentioned, if you have chosen “Oil or Gas,” you will need to meet BOTH sets of fields rules, if separate oil and gas rules exist.

FIELD DETAILS TAB (6 of 11)


Special Horizontal Field Rules

Special Horizontal Field Rules: For informational purposes only. The Final Order controls all field rules.

Illustration Screen Help

Unconventional Fracture Treated (UFT): Yes

UFT Effective Date: 05/10/2016

Correlative Interval: From 9000 to 10154 feet

Established by API Number: 31134298

Dual Lease Line Take Point Spacing

First/Last Take Points (Heel and Toe) to Lease Line: 100 feet

Perpendicular Spacing from All Take Points to Lease Line: 330 feet

Between-Well Spacing

Subsurface Tolerance Box: 33 feet

Horizontal to Vertical: N/A

Horizontal to Horizontal: N/A

Overlap Distance: N/A

Stacked Lateral Rules: Yes (If yes, see Final Order for details)

Horizontal Depth Severance: No

Special Rule 38 (Well Density) Provision

Upper: N/A

Notification Radius: N/A

Lower: N/A

Comments for the Special Field Rules

Comments: N/A

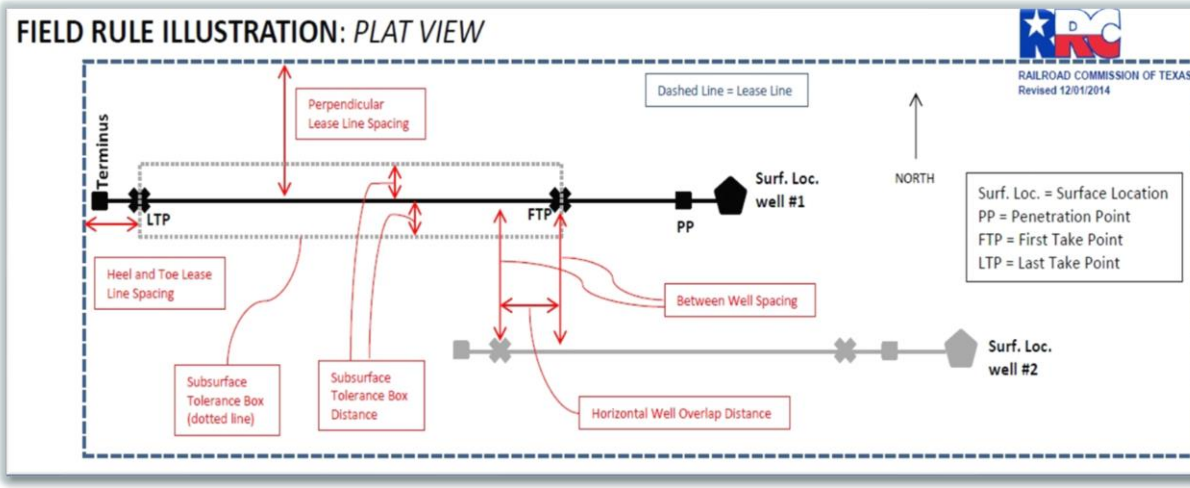
History: Final Orders that contain special horizontal field rules language

Docket Number	Final Order Effective Date	Final Order Document
03-0283753	09/24/2013	Click Here

If the field has special horizontal field rules, a summary of these rules will be shown on, as seen in the image above.

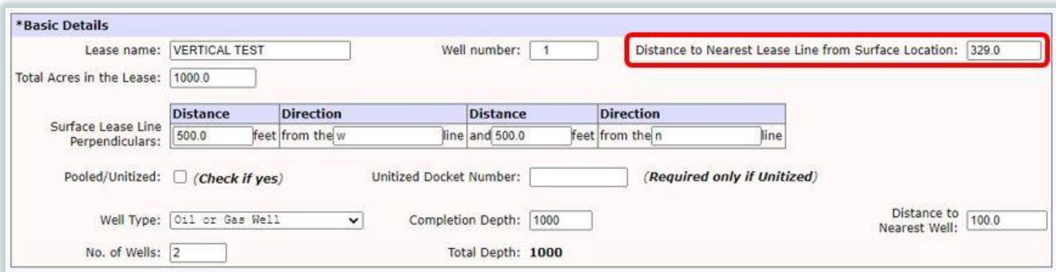
The illustration link will provide you with an image that shows a visual description of the spacing rules and how they are interpreted. The focus of the image is for horizontal wells. See slides 22 and 29 for the image that the link directs you to.

FIELD DETAILS TAB (7 of 11)



FIELD DETAILS TAB (8 of 11)

Vertical Well:



- **The box in red is the Rule 37 spacing validation for a Vertical well.**
- **A Directional well still requires this distance from the Surface Location, however, it will not be the Rule 37 spacing validation for that profile.**

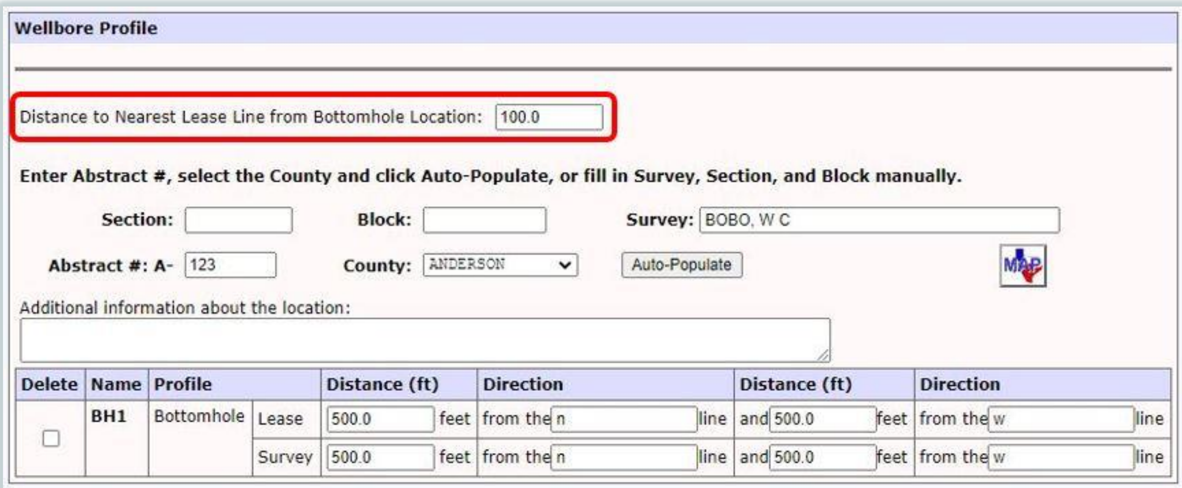
This slide pertains to a Vertical well W-1 application.

- Enter the distance measured in feet from the **surface hole location** to the nearest point on the external lease line.
- If there is an unleased interest in a tract of a pooled unit that is nearer than the external unit line, use the nearest point on that unleased tract boundary.

Distance to Nearest Lease Line from Surface Location will be used to determine whether the proposed surface location requires a **SWR 37 lease line exception for vertical wells only**.

FIELD DETAILS TAB (9 of 11)

Directional Well:



This slide pertains to a directional well and shows the wellbore profile section.

The distance to nearest lease line from surface location that is referenced on Slide #23 will also pertain to a directional well, except it will not be used to determine Rule 37 Lease Line spacing exceptions.

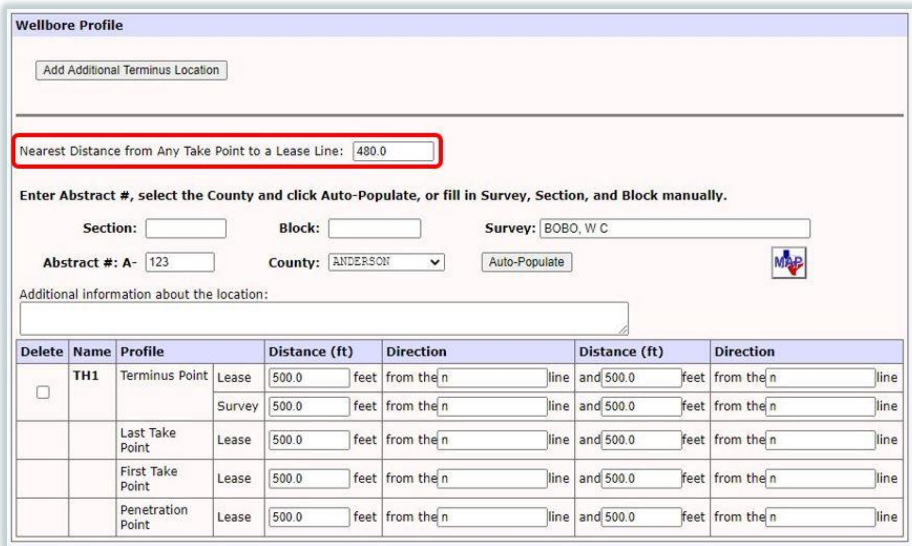
- For a directional or horizontal wellbore with an off-lease surface location, the label will be *Distance to Nearest Survey Line from Surface Location*. Enter the distance measured from the surface hole location to the nearest survey line.

- Enter the distance in feet from the **bottomhole location** to the nearest point on the external lease line.
- If there is an unleased interest in a tract of a pooled unit that is nearer than the external unit line, use the nearest point on that unleased tract boundary.

Distance to Nearest Lease Line from Bottomhole Location will be used to determine whether the proposed bottomhole location requires a SWR 37 lease line exception for **<u>directional wells only</u>**.

FIELD DETAILS TAB (10 of 11)

Horizontal well WITHOUT special horizontal field rules:



This slide pertains to a horizontal well and shows the Wellbore Profile Section on the Field Details tab in a field that does NOT have special horizontal take point language (heel/toe spacing).

The distance to nearest lease line from surface location will also pertain to a horizontal well, except it will not be used to determine Rule 37 Lease Line spacing exceptions.

- For a directional or horizontal wellbore with an off-lease surface location, the label will be *Distance to Nearest Survey Line from Surface Location*. Enter the distance measured from the surface hole location to the nearest survey line.

- Enter the distance in feet from **any take point along the producing section of the lateral** (the FTP through and including the LTP), to the nearest point on the external lease line.
  - There may be situations in which the nearest distance does not exist at a take point, but rather somewhere in-between. Please review your plat to ensure you are entering the correct information.
    - If RRC staff finds that there is a nearer distance on the plat than what was entered at the time of filing, it will be changed and can potentially create a Rule exception that will need to be paid for and resolved.

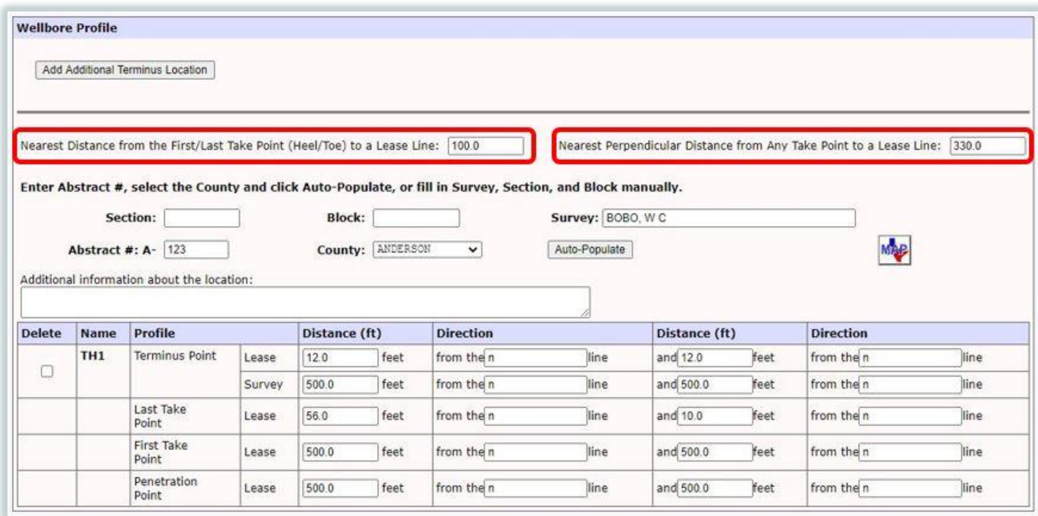
- If there is an unleased interest in a tract of a pooled unit that is nearer than the external unit line, use the nearest point on that unleased tract boundary.

- For Allocation or PSA wells, you will enter ONE foot for the nearest distance unless all developmental tract crossings are isolated with NPZ's. (NPZ's can only resolve Rule 37 Lease Line exceptions),
  - This will be different for fields with dual lease line spacing, so please be sure to read the notes on the following slide.

Distance to Nearest Lease Line from Any Take Point to a Lease Line will be used to determine whether the proposed producing section of the lateral requires a SWR 37 lease line exception for **horizontal wells only**.

FIELD DETAILS TAB (11 of 11)

Horizontal well WITH special horizontal field rules:



This slide pertains to a horizontal well and shows the Wellbore Profile Section on the Field Details tab in a field that DOES HAVE special horizontal take point language (heel/toe spacing).

The distance to nearest lease line from surface location will also pertain to a horizontal well, except it will not be used to determine Rule 37 Lease Line spacing exceptions.

- For a directional or horizontal wellbore with an off-lease surface location, the label will be *Distance to Nearest Survey Line from Surface Location*. Enter the distance measured from the surface hole location to the nearest survey line.

- Enter the distance in feet from the **FTP/LTP (heel and toe spacing, the axial distance of the well),** to the nearest point of the outermost boundary of the developmental acreage outline.
  - See slide #29 for a graphic depicting the heel and toe distance. This will be a 180-degree halo covering the FTP and LTP
    - If RRC staff finds that there is a nearer distance on the plat than what was entered at the time of filing, it will be changed and can potentially create a Rule exception that will need to be paid for and resolved.
  - If there is an unleased interest in a tract of a pooled unit that is nearer than

the outermost boundary of the developmental acreage outline, use the nearest point on that unleased tract boundary.

- Enter the distance in feet for the **nearest perpendicular distance** from any take point along the producing section of the lateral (the FTP through and including the LTP), to the nearest point on the external lease line.
    - There may be situations in which the nearest distance does not exist at a take point, but rather somewhere in-between. Please review your plat to ensure you are entering the correct information.
        - If RRC staff finds that there is a nearer distance on the plat than what was entered at the time of filing, it will be changed and can potentially create a Rule exception that will need to be paid for and resolved.
    - If there is an unleased interest in a tract of a pooled unit that is nearer than the outermost boundary of the developmental acreage outline, use the nearest point on that unleased tract boundary.

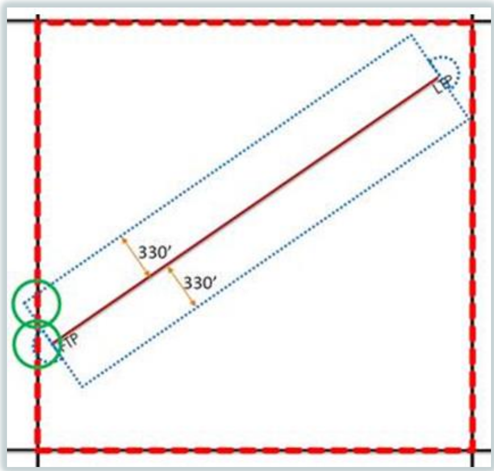
- For Allocation or PSA wells:
    - If the wellbore crosses any or all developmental tract boundaries at a 90-degree angle:
        - Enter ONE foot for the Heel/Toe nearest distance.
        - Perpendicular distance will be the nearest shown on the plat, as described above and will not be one foot.
    - If the wellbore crosses any or all developmental tract boundaries at angles greater than or less than 90 degrees:
        - Enter ONE foot for BOTH the Heel/Toe and the Perpendicular Distance
    - If NPZ's exist on the plat, please determine which developmental tracts are being isolated and enter your nearest distances based on the points discussed above for any boundary not isolated. (NPZ's can only resolve Rule 37 Lease Line exceptions).
        - If RRC staff finds that there is a nearer distance on the plat than what was entered at the time of filing, it will be changed and can potentially create a Rule exception that will need to be paid for and resolved.

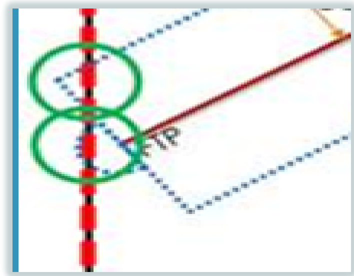
Distance to Nearest Lease Line from First/Last Take Point (Heel/Toe) and Nearest Perpendicular Distance from Any Take Point to a Lease Line will be used to determine whether the proposed producing section of the lateral requires a **<u>SWR 37 lease line exception for horizontal wells only</u>**.

- If one value meets the field rules, and another does not, then an exception will be flagged.

DUAL LEASE LINE SPACING

Perpendicular and Heel/Toe Spacing:

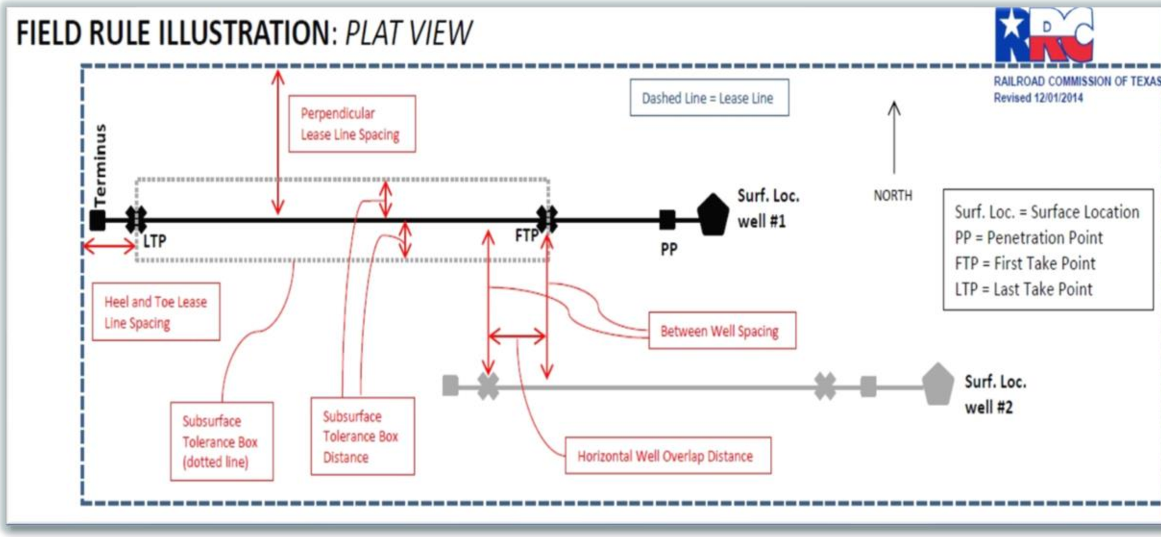


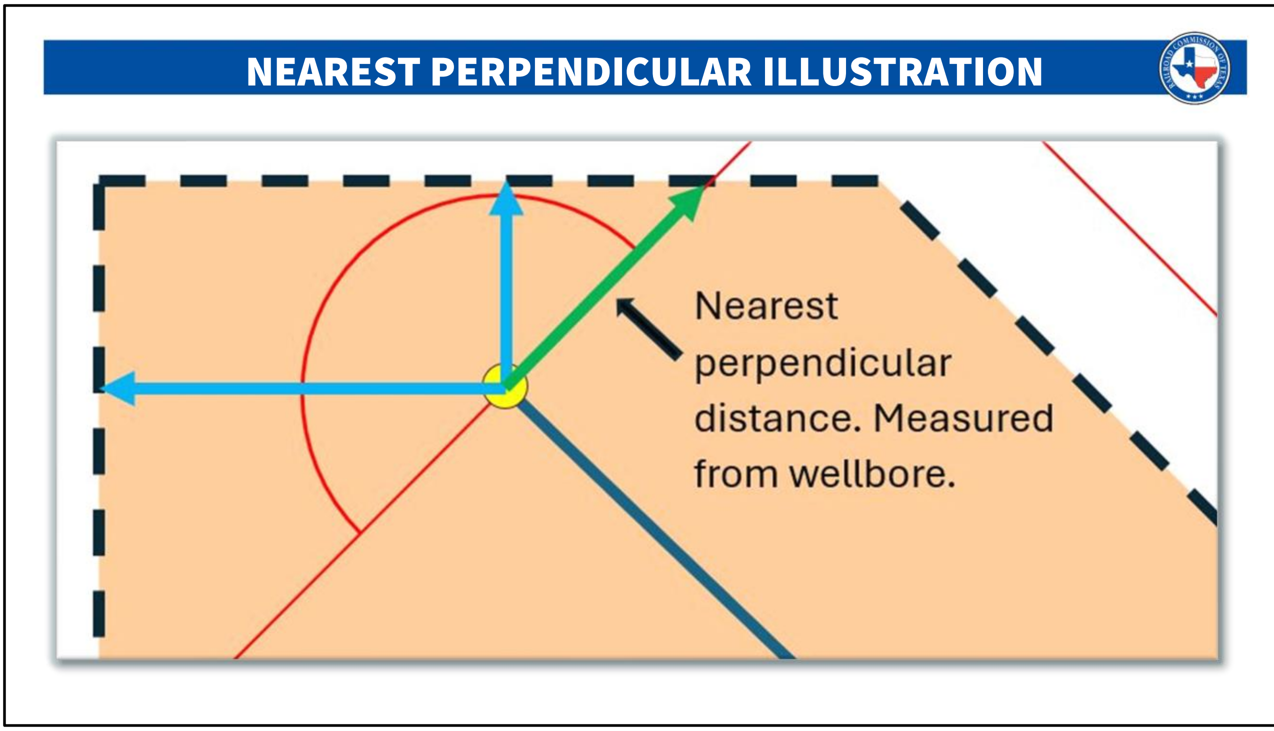


Both the heel/toe (axial) distance and the perpendicular distance trigger a SWR 37 exception.

The Heel and Toe spacing is a 180-degree semi-circle on the end of the 330-foot perpendicular spacing box.

HORIZONTAL WELLBORE ILLUSTRATION





In this image there are three call distances shown.

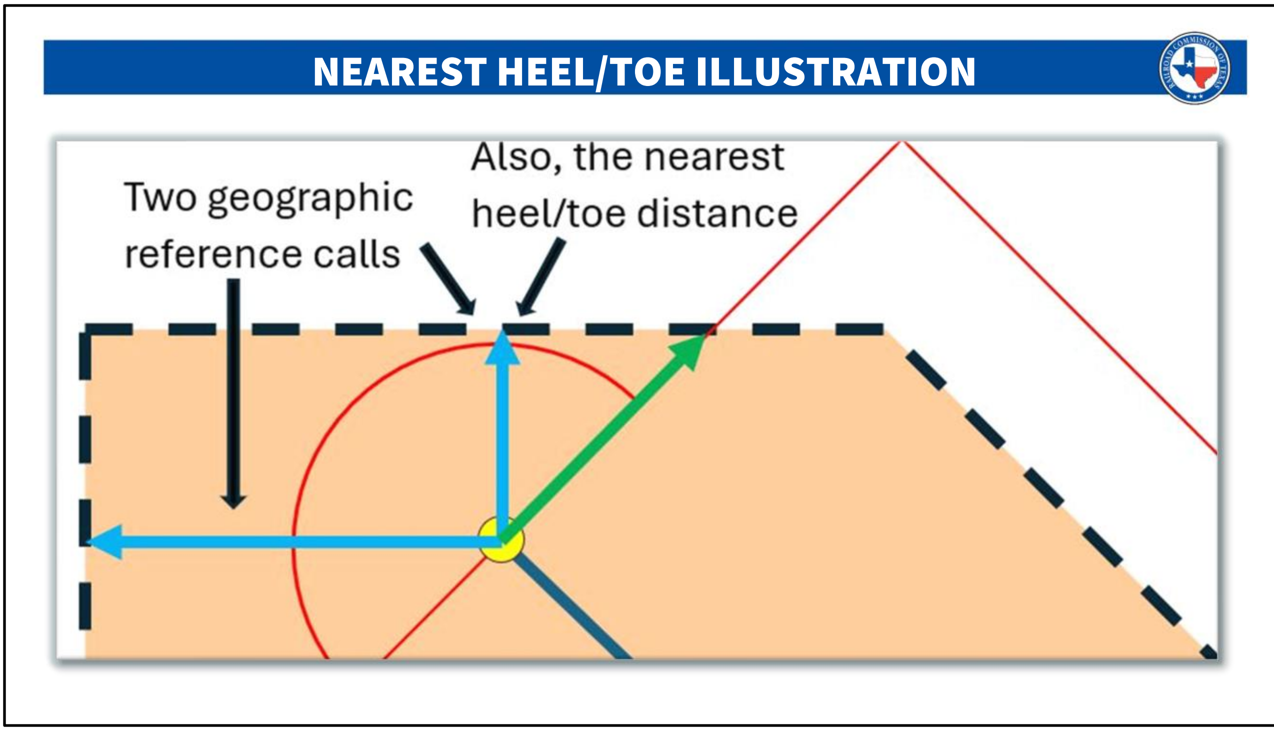
- Two geographic lease line calls.
  - Arrows to the North Lease line and the West lease line.
- One Nearest perpendicular distance call.
  - Arrow to the North lease line that hits at an angle.

The North and West calls will be used for the two geographic reference calls.

- These are the two “lease line calls.”

The North lease line call (geographic call) will ALSO be the nearest heel/toe distance. The call that hits the north lease line at an angle is the nearing perpendicular distance.

- These are the two “spacing verification calls”



In this image there are three call distances shown.

- Two geographic lease line calls.
    - Arrows to the North Lease line and the West lease line.
- One Nearest perpendicular distance call.
    - Arrow to the North lease line that hits at an angle.

The North and West calls will be used for the two geographic reference calls.

- These are the two "lease line calls."

The North lease line call (geographic call) will ALSO be the nearest heel/toe distance. The call that hits the north lease line at an angle is the nearing perpendicular distance.

- These are the two "spacing verification calls"

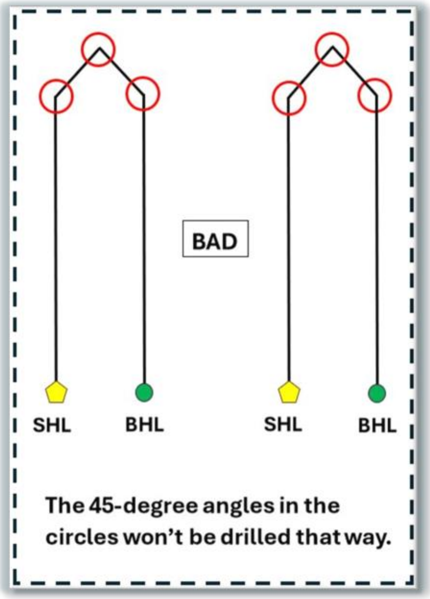
U-TURN WELL INFORMATION (1 of 9)

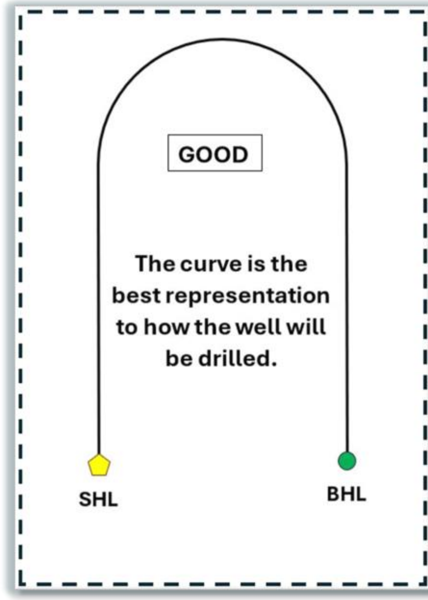
“U-Turn” wells or “Horseshoe” wells

- **Two straight line sections that are connected by a large arc or connected by two small arcs with a smaller straight line between them.**

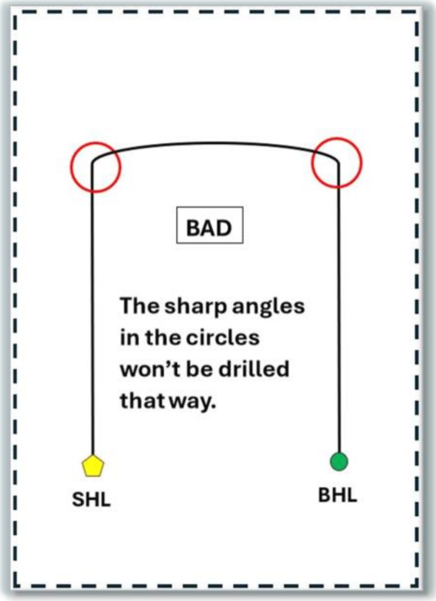
- **The U-Turn well should be represented on the plat as close as possible to how it will be drilled.**

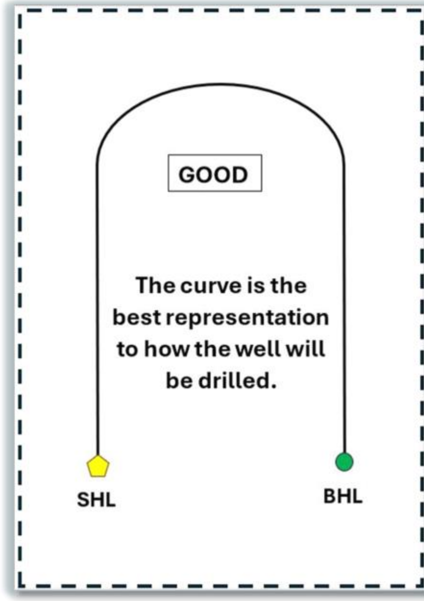
U-TURN WELL INFORMATION (2 of 9)



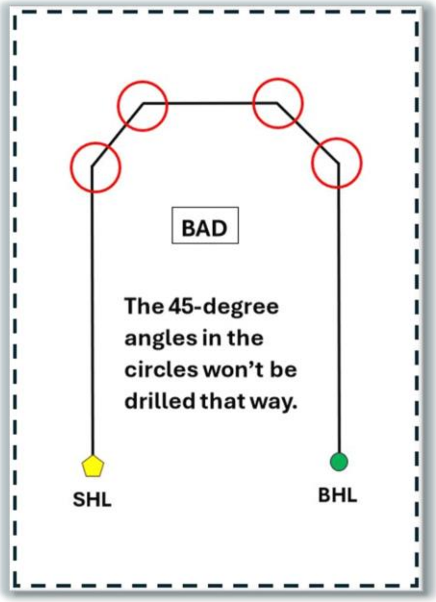


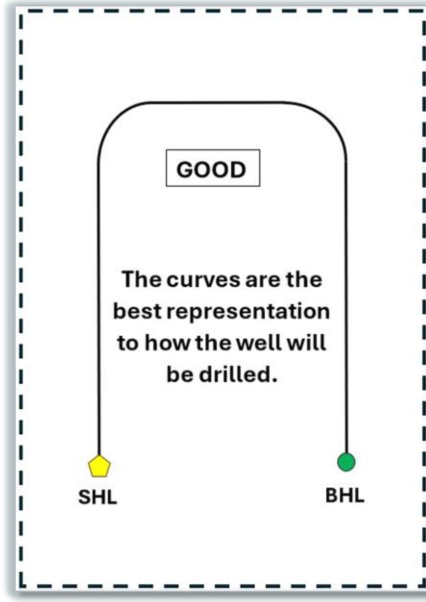
U-TURN WELL INFORMATION (3 of 9)





U-TURN WELL INFORMATION (4 of 9)

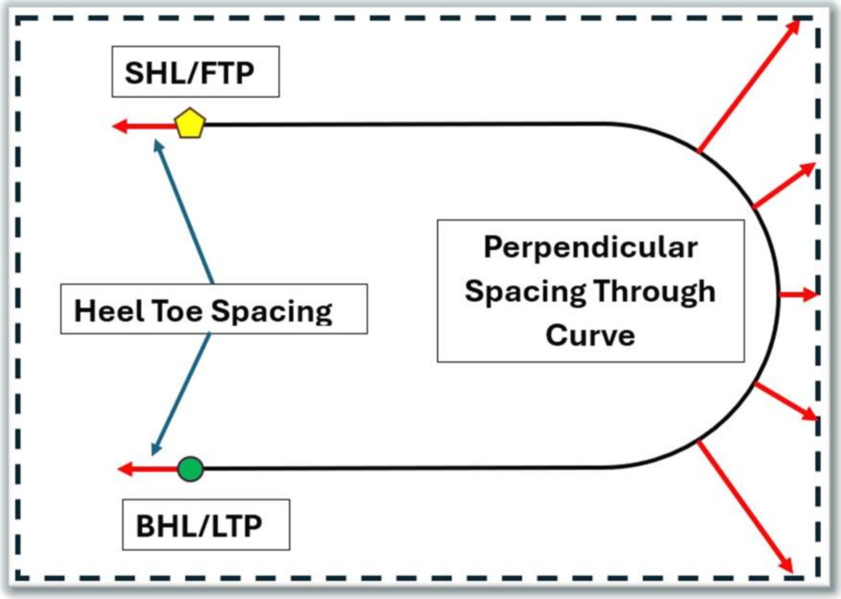




U-TURN WELL INFORMATION (5 of 9)

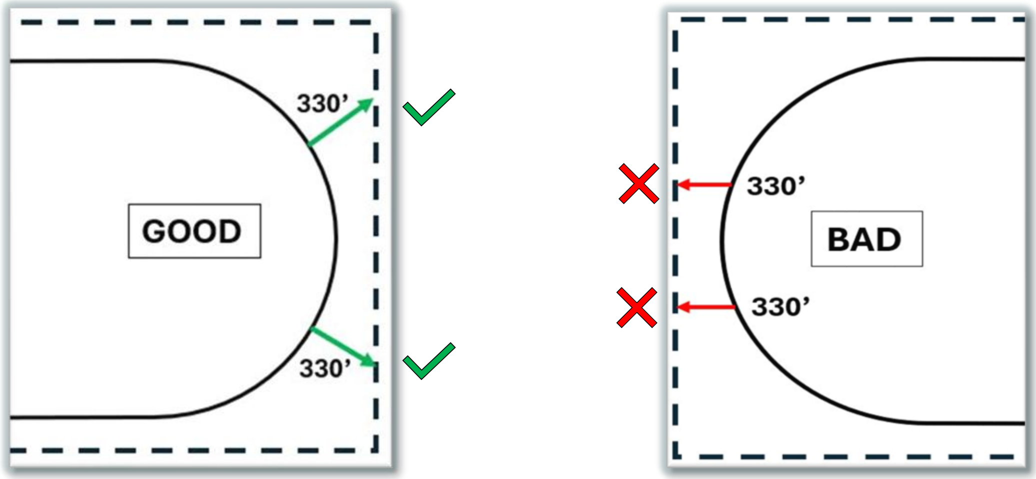
- Heel/Toe spacing applies to the end points of the well.
- Perpendicular spacing will apply throughout the curve of the well.
- If the curve is less than 330 feet from the lease line
  - An NPZ would be required to cover the full section that is less than 330 feet.

U-TURN WELL INFORMATION (6 of 9)



U-TURN WELL INFORMATION (7 of 9)

Nearest perpendicular distance should be shown at 90 degrees off the wellbore, based on the orientation of the curve.

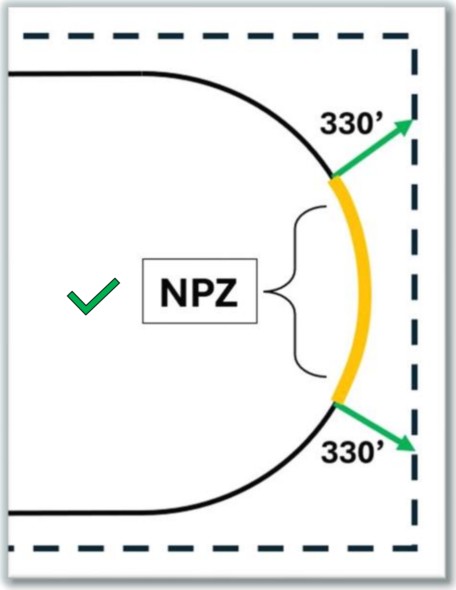


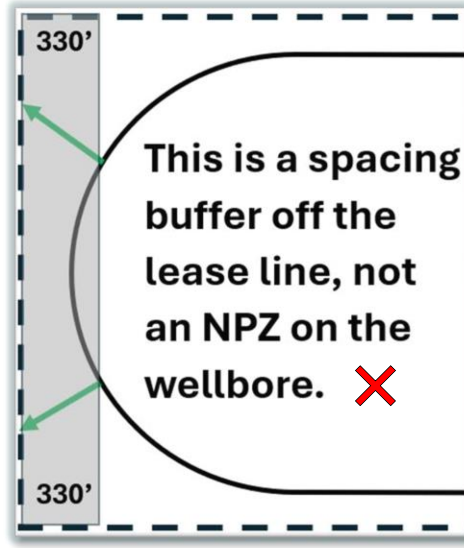
U-TURN WELL INFORMATION (8 of 9)

If you are showing an NPZ through the curve:

- The NPZ should be represented ON the wellbore.
- A shaded spacing buffer off the lease line should not be used.
- NPZs are specific to, and placed on, the well path.

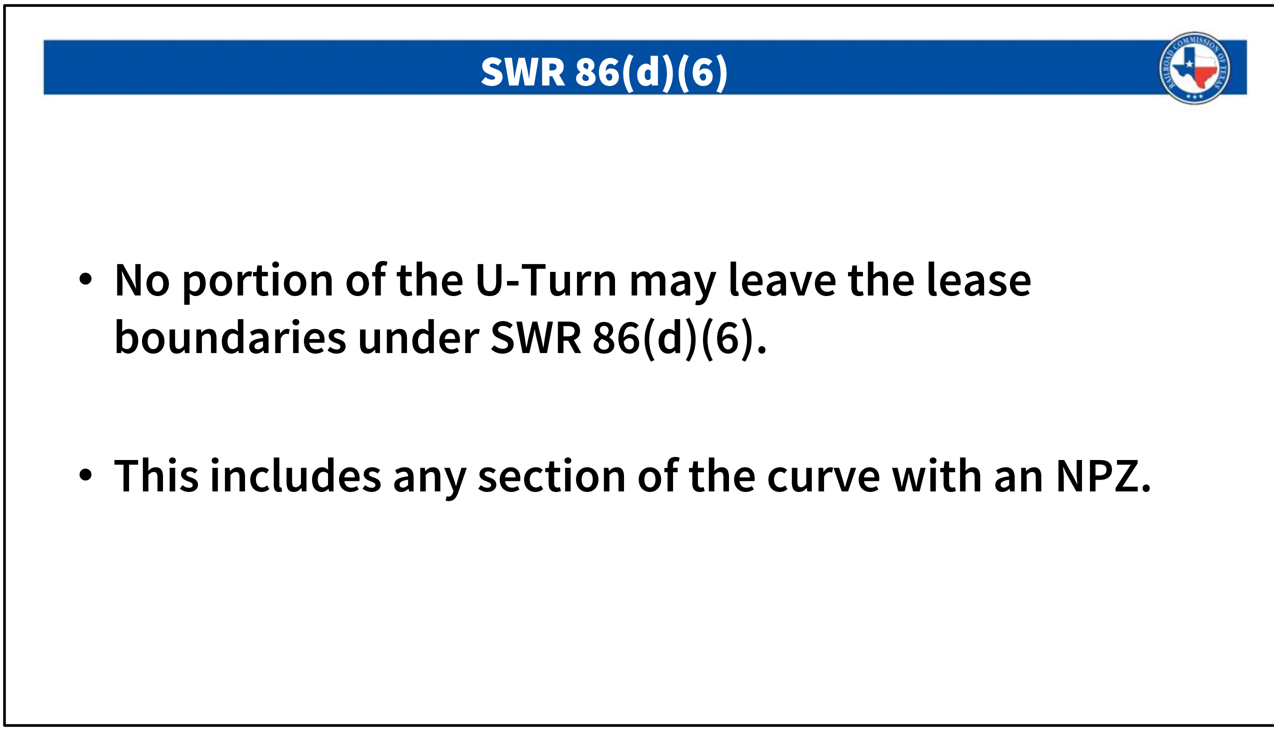
U-TURN WELL INFORMATION (9 of 9)





U-TURN WELL INFORMATION (10 of 10)

- NPZs are not required to be shown.
- If your U-Turn is less than 330 feet perpendicular to the lease line, it will resolve a Rule 37 exception.
- Remember, Heel/Toe distances do not apply in the curve.



No portion of the curve may leave the lease boundaries even if you have an NPZ through a portion of it.
This is a SWR 86(d)(6) exception and there is not an administrative approval process.
A hearing would be required to resolve this, however, there are additional resolution methods: Please see below.

1. Request a hearing for a SWR 86(d)(6) exception.
2. Utilize the acreage that the wellbore went into for an Allocation development.
    - The wellbore must produce from the additional tract to resolve this via the Allocation option
    - If you cannot produce from the additional tract, then you must go the PSA route (below), or request a hearing.
3. Convert to a PSA well,
    - Provided you have obtained the required 65% agreement from the Mineral AND the Working interests in ALL acreage being used, a PSA would be a viable solution here.
4. Plug the well back to where it left the lease.

OFF LEASE PENETRATION POINT (1 OF 3)

Delete	Name	Profile		Distance (ft)	Direction	Distance (ft)	Direction
☐	TH1	Terminus Point	Lease	476.0 feet	from the NE line	and 50.0 feet	from the NW line
			Survey	1503.0 feet	from the NE line	and 5636.0 feet	from the NW line
		Last Take Point	Lease	476.0 feet	from the NE line	and 100.0 feet	from the NW line
		First Take Point	Lease	476.0 feet	from the NE line	and 100.0 feet	from the SE line
		Penetration Point	Survey	feet	from the line	and feet	from the line

Resolution Explanation - Off-lease Penetration Point

Resolution	Explanation
☐ Own Offset	You have indicated on the plat that you are the only affected party.
☐ Waivers	Attach a signed waiver for any party you have identified as requiring notification.
☐ Notices	**Last Notification Date:** (MM/DD/YYYY) Attach a copy of the notice and plat that were sent to affected parties. Also attach a copy of each return receipt for affected parties. Provide the date that the last notice was mailed to an affected party, and do not submit your application until 21 days after the last notification date.
☐ Publication	You have indicated that you have made a good faith effort to determine all affected parties. As specified in SWR 1.46, attach a copy of the notice that was published and a plat, as well as a publishers affidavit.
☐ Hearing Requested	If you have not been able to come to an agreement with affected parties, you may request a hearing. Attach a hearing service list that includes all affected parties.

Docket Number (99-9999999) : **Hearing Outcome:** Not Applicable

- If you indicated on the Field List Tab that your penetration point is located off-lease, additional procedures and documents are needed along with a method of resolution. The method of resolution is selected from this screen:
  - **Own Offset**: If you are your own offset, to the location of the penetration point, select this option and ensure that your plat is labeled appropriately. (At the location of the penetration point, labeled your company's name, as it appears on the W1 application).
  - **Waivers**: If the offset mineral interest owner or operator has granted you a waiver for the location of your penetration point, select this option. Ensure that your plat is labeled accordingly (see above), and also ensure that you attach the waiver.
    - This waiver needs to specifically state its purpose and contain a written description of the off-lease location of the PoP. (this can be the exact call distances as seen on the plat, or a general description of the survey and the location within that survey, of the PoP). The waiver will not be accepted unless it contains the appropriate information and is signed and dated.
    - If the waiver is for an off-lease penetration point, it needs to specifically state this. A Rule 2 waiver, or a SWR 37 waiver will not be accepted as an off-lease penetration waiver, unless this language

    is included.
    - It is acceptable to combine the purpose of a waiver, such as an offset granting you permission to penetrate off-lease and waiving their right to protest a Rule 37 exception. If combining the intent of a waiver, you must ensure that each purpose is specifically stated, along with the other required descriptive contents, otherwise it will not be accepted.

- **Notices**: By rule, the applying operator is required to provide the affected operator or mineral interest owner (if not leased) a 21-day notification. This 21-day notification is served via USPS certified mail, return receipt requested. The 21-day clock starts on the day that the recipient signs for the delivery. The signed certified mail receipt (green card) is required to be provided with the permit application, along with ALL documents that were mailed to the affected party(s) in the notification packet. Your permit application is not to be submitted until the 22nd day after the delivery. This is to ensure that the affected party has been given 21 full calendar days to review the documents. Any issues that may arise must be resolved by the two parties prior to submitting the permit.
    - **Last Notification Date**: The date that you will enter in this box will be the date signed on the certified mail receipt. If your notification packet was sent to multiple parties, the date entered will be the latest date on the signed mail receipts. This is to ensure that ALL parties notified receive the same 21-day period to review the documents.

- **Publication**: This will be a similar procedure as publishing a SWR exception notice. In this case, however, you will not be under RRC deadlines.
    - One the publication is started, it will need to run for four consecutive weeks, so keep this in mind. You can start it when you want to, but once started it will need the four consecutive week time period.
        - The Rule 37/38 publication period was recently amended to two weeks. This did NOT affect the PoP publication period, which is still 4 weeks.

- **Hearing**: If notice has been served to the affected offset, and there is a conflict with the proposal, that cannot be resolved between the two parties, a hearing can be requested to resolve the situation.

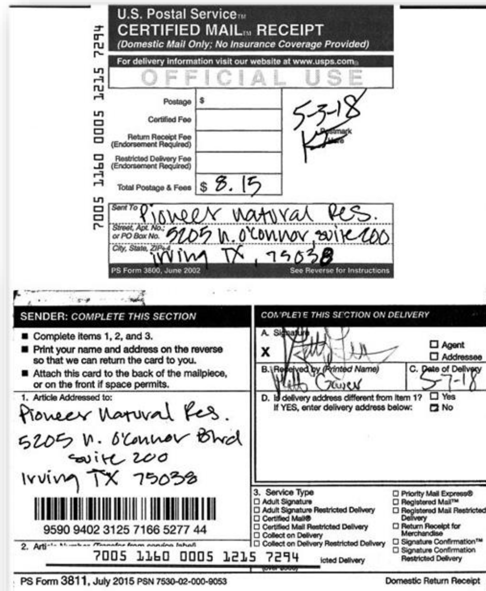
- **IMPORTANT: If you submit your application before the 21-day period has expired, even if all required documents are present, the review of your permit**

will NOT begin until such time period has ended.

- Friendly Reminder: Just to reinforce, please make sure that your plat is labeled with any and all applicable offsets as they pertain to your method of resolution. If the off-lease penetration point process has been followed, and this is the only thing missing, you will still receive a problem letter and the review of your permit will be stopped until the problem is resolved.

OFF LEASE PENETRATION POINT (2 OF 3)

Two examples of acceptable Certified Mail Receipts for an Off-Lease Penetration Point Notice:



- The images on this slide are acceptable Certified Mail Receipts that confirm the delivery of an Off-Lease Penetration Point Notification delivery.

- The key attributes of these receipts are:
  - There is a signature of the recipient
  - The recipient's printed name is shown
  - There is a date of delivery

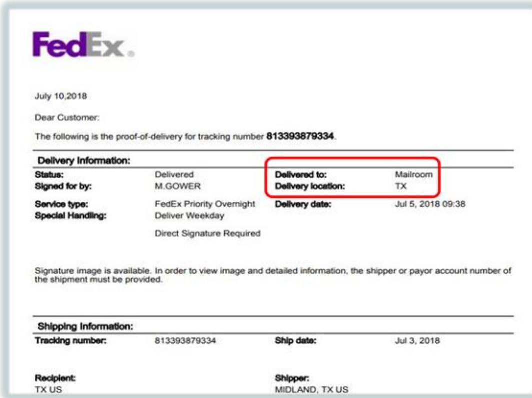
- The Date of Delivery is the most important attribute of this mail receipt. This is the date that will be used on the W1 application as the **Last Notification Date**. It also the starting point for the 21- Day wait period.

- Remember – **You are not allowed to submit the W1 until the full 21 days has passed.**
  - This means that you need to wait until the **22nd day** to file the application. This is so the recipient has a full 21 days to review the information that was sent to them.
  - If you sent multiple notices, and the delivery dates are staggered, you will reference the most recent date out of the group.
    - If the first notice was signed for on Jan. 1st, and the second notice was signed for on Jan. 10th, then your 21-day clock will start on Jan 10th. In this example, you will submit your application on Jan. 22nd.

This gives BOTH parties the full 21 days to review the information.

- If a Certified Mail receipt is returned without a signature or without date (or without both) you will be required to attach a confirmation page from the USPS tracking website.
    - If you go to Google and type in “USPS Tracking,” it will give you a search field in which you can enter the 20-digit article number. This will link you directly to the confirmation page.
    - Expand the “Tracking Information” section and take a screenshot. This is what you will attach.
    - **If you don’t have a signature or date on the receipt, and you do not attach this information, you will receive a problem letter.**

OFF LEASE PENETRATION POINT (3 OF 3)


FedEx.

July 10,2018

Dear Customer:

The following is the proof-of-delivery for tracking number **813393879334**.

Delivery Information:

Status:	Delivered	**Delivered to:**	Mailroom
Signed for by:	M.GOWER	**Delivery location:**	TX
Service type:	FedEx Priority Overnight	**Delivery date:**	Jul 5, 2018 09:38
Special Handling:	Deliver Weekday		
	Direct Signature Required		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:

Tracking number:	813393879334	**Ship date:**	Jul 3, 2018
Recipient: TX US		**Shipper:** MIDLAND, TX US	

A delivery receipt such as this is problematic because we can't confirm where this was delivered.

The receipt shows that the notice was delivered to a mailroom in Texas, but is not specific:

- **Which mailroom?**
- **Where in Texas?**

- SWR 86 states the following regarding the off-lease penetration point:

"The applicant shall give written notice by certified mail, return receipt requested, to all mineral owners of any offsite tracts through which the proposed wellbore path traverses from the point of penetration."

- If you use a delivery method other than **USPS Certified Mail Return Receipt Requested**, you may be subject to protest or may be requested to send the notification again.

- **If the drilling permits department receives a contest or protest because the notification was NOT sent via certified mail, return receipt requested, we will view this as a valid protest and send the application to docket services as part of the proper procedure for a protest.**

- Some delivery services' confirmation pages do not have the full information that The RRC requires for an off-lease penetration point notice.
  - The above slide is a good example. This confirmation shows:
    - This was delivered to: Mailroom
    - The delivery location is: TX
  - This creates two questions:
    - 1) Which mailroom?

    - 2) Where in Texas?
- We require the address to be shown on the delivery confirmation so that we can determine that the proper offset was notified.

- If you are using the USPS online system to setup your delivery, it is still required to *request a return receipt confirmation.* **If you cannot provide a delivery confirmation, you will be asked to send the notice again using the method that is stated in SWR 86, Certified Mail Return Receipt Requested.**

SWR 40 SECTION (1 OF 2)

State Wide Rule 40 Form W-1 Instructions Form P-16 Instructions

In the current application, is the operator seeking multiple assignment of acreage under Statewide Rule 40?: No

If No is chosen, then the additional information below is not required and you may proceed to the wellbore profile section below.

1. Will the well be completed in a "UFT" field? None Selected

   "UFT"status can be found in the Special Horizontal Field Rules section of this application.

2. Is ownership of the right to drill or produce "divided horizontally", i.e., separated into depth intervals defined by total vertical depth, depth relative to a specific geological contact, or some other similar discriminator? None Selected

3. Please provide the upper and lower limits of the applicant's Horizontal Ownership Interval: **Upper Limit:** **Lower Limit:**

   If this W-1 is for an Allocation or PSA well and there are multiple severances, the first severance encountered by the wellbore will be entered in the boxes above. Section 5 of the P-16 will capture the severance values for each developmental tract.

4. Is the applicant the owner of all wells, including any wells permitted but not yet drilled or completed, located within one-half mile of the proposed wellbore between the first and last take points? None Selected

   If No, please attach copies of the SWR 40 notice, SWR 40 service list, and certified plat as required by SWR 40(e)(2)(B).

5. If the well will not be completed in a UFT field, or if the well will be completed in a UFT field but the right to drill and produce has not been divided horizontally, please provide the docket number of the final order approving the multiple assignment of acreage for the subject well or RRC lease/unit. **Docket Number:**

   If a Docket # is provided, please also enter the approved interval from the Commission Approved Final Order in the boxes provided for question #3

   Please see SWR 40(g) for more information about the public hearing process.

Note: If the answer to question 1 and/or 2 is NO, then this application cannot be approved until the applicant has been granted authority for the multiple assignment of acreage via a Commission approved Final Order.

Statewide Rule 40 was amended and went live on March 3rd, 2020.

Under this amendment, all UFT fields are now able to capture depth severance values due to a horizontal division of ownership.

If you are permitting in a field that is not designated UFT (Unconventional Fracture Treated), in order to use a depth severed interval, you would need to request a hearing to obtain an exception to Statewide Rule 40.

The W-1 has been updated with a more robust section for entering SWR 40 information, if applicable to your application.

SWR 40 SECTION (2 OF 2)

- **New section aligns with options offered by the SWR 40 amendment of March 3rd, 2020.**

- **Information is not required if:**
  - **Full interval ownership in the regulatory field**
  - **You are not seeking an exception to SWR 40(e)(2)**

The new SWR 40 Section begins with a qualifying question asking if you are seeking an exception to SWR 40(e)(2).

If you answer NO, then additional information is not required, and you may move past this section.

- The combination of 0/999999 will no longer be used to indicate full interval rights, or to enter information due to system requirements.
- This new SWR 40 section overhauls the old interval boxes and is much more aligned with the options in the Rule, per the amendment of March 3rd, 2020.

ATTACHMENTS TAB (1 of 3)

WHAT ATTACHMENTS ARE REQUIRED?

Plat - always required

P-12 - for pooled unit W-1s, or an Allocation/PSA well using one or more pooled units in the development

P-16 - for all horizontal wells in any field, and all wellbore profiles in UFT fields

Rule 40 - notification documents, if applicable

Attachment requirements:

When are various attachments needed? :

- **Plat**:
  - A plat will be required for every permit, regardless of the type.
  - **ALL plats filed with a pooled unit application, or an application that contains a statewide rule exception MUST BE CERTIFIED** (this includes ALL Allocation and PSA applications).
    - If your plat was created by a third-party surveying company, then the seal of the RPLS must be shown.
      - If additions or small labeling corrections are made to a plat that is certified by a RPLS (as a result of a problem letter, for example), then you must include an additional certification that states something to the effect of: "I certify that the additions to this plat are true and correct to the best of my knowledge."
      - You will also leave the RPLS certification in place, because you are not changing their work, simply adding to it.
    - If your plat was created in your office (hand drawn or digital), then you must include a self certification that states something to the effect of: "I certify that the information on this plat is true and

correct to the best of my knowledge."

- **The first well in a field will always require a lease plat**, if the full areal extent of the lease cannot be seen on the well plat.
- **When filing for a pooled unit, a P-12 plat will be required**, if the full areal extent of the unit cannot be seen on the well plat.
  - The well plat, or P-12 plat, should show the tract borders within the unit.
  - The tract labeling on the well plat, or P-12 plat, should match the tract labeling on the provided P-12.
- **When filing for an Allocation or PSA permit, a lease plat will always be required**, regardless of the well count, if the full extent of the developmental acreage cannot be seen on the well plat.
  - The tract labeling on the well plat or the Unit plat, should match the tract names (or identifiers) in Section 5 of the provided P-16.
  - If one, or more, of the tracts involved with an Allocation or PSA permit are pooled, then a unit plat for that acreage is required, if the tract divisions in the pooled unit cannot be seen on the well plat.
    - In this situation, the unit plat does not need to match the Allocation or PSA permit, however it needs to match and correspond with the tract labeling and acreage for the corresponding P-12 (see next section for P-12 information).
      - This will only be needed if the full acreage and tract divisions, of the pooled tract, cannot be seen on the well plat.

- **P-12**:
  - A P-12 will be needed for any application that is marked as a pooled unit.
  - If your acreage is Unitized, you will simply enter the unitized docket number in the provided box on the Field Details tab. A P-12 will not be needed in this case.
  - **If you are filing for an Allocation or PSA permit, a P-12 will be required for each pooled unit that is being used in the developmental acreage. (The full pooled unit must be used. You cannot use a portion of a pooled unit).**
    - In this situation, the P-12 does not need to match the Allocation or PSA W-1, however it needs to match and correspond with the tract labeling and acreage for the pooled unit that it supports. (ie: you may use a P-12 from a previous well application from the pooled unit, so long as the tract labeling and acreage on the P-12 matches the tract information on the provided well plat or additional unit plat. The well number will not matter in this case; and the lease name and acreage on the P-12 needs to match the pooled acreage,

and not the Allocation or PSA lease name and acreage.)
        - This will only be needed if a tract in the developmental acreage is pooled. If you do not have any pooled tracts in your Allocation or PSA unit, then you do NOT need to file a P-12. Allocations and PSAs are not, in and of themselves, pooled units; *therefore, if you have checked either Allocation or PSA on the General Information tab, you will **NEVER** check pooled unit on the Field Details tab.*
- **If multiple P-12s are needed due to your Allocation or PSA incorporating more than one pooled unit, please upload each P-12 as separate files. Do not combine both P-12's into a single file.**
    - If a particular P-12 requires multiple pages, it is ok to combine the pages into one file; however do not combine the P-12s for different pooled units.

- **P-16**:
    - A P-16 is required for the following conditions:
        - Any well filed in a UFT designated field (Unconventional Fracture Treated), regardless of the wellbore profile.
            - (Vertical, Directional, and Horizontal all require a P-16 in UFT fields).
        - ALL horizontal well, regardless of the field. (this includes UFT fields, Wildcat, and all other fields).
        - ALL Allocation and PSA permit applications.
    - For instructions on filling out a P-16 please reference the following resources:
        - RRC website:
            - On the RRC homepage, type “P-16 Instructions” in the search bar, in the upper right of the homepage.
                - The Form P-16 has recently been amended, and along with that, new sets of instructions were written. One set covers the requirement for a P-16 with a W-1 filing the other set covers the requirements for a P-16 with a completion packet filing.
        - Austin conference:
            - On the RRC homepage, use the search bar and look for the Allocation and PSA presentation.
                - This presentation covers procedures for Allocation and PSA permits and covers P-16 requirements and procedures for these types of applications.

- **Waivers, Lists, and Letters**:
  - Field Transfer Letters:
    - Field Transfer permits will always require the approved field transfer letter from the RRC engineering group.
      - If you do not have this letter, you need to obtain one before filing for a field transfer permit.
  - Off Lease Penetration Point Documents:
    - If your application contains an off-lease penetration point, additional documents are required if you are not your own offset:
      - A waiver may be provided from the affected offset party(s). This should be uploaded an as "Off-Lease Penetration Point Waiver."
      - If you have served the affected party(s) a 21-day notification, all documents sent to the offset should be uploaded as "Off-Lease PP Notice."
        - Please see Slide #15 and the associated notes for details on off-lease penetration procedures.
  - Waivers:
    - Waivers may be needed for Statewide Rule Exception resolutions, off-lease penetration points, etc..
      - If attaching a waiver for an off-lease penetration point, you must use the appropriate classification from the drop-down menu on the attachments tab. Select "Off Lease PP Waiver."
      - All other waivers should be uploaded using the simple classification of "Waiver."
        - For detailed information on SWR waivers, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
  - Due Diligence Letters:
    - If you are requesting publication to notify affected offsets of a SWR exception application, you are required to provide a letter of due diligence that states you exhausted all options to locate the affected party. This should be uploaded using the eponymous classification of "Due Diligence Letter."
      - For additional information on SWR publication procedures, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
  - Service Lists:
    - If your application has a SWR exception and requires a 21-day notice, you are required to attach a service list with address information of the affected party(s).
  - SWR 38 Data:

        - If your application has a SWR 38 exception, you may be required to provide geologic and volumetric data. If this applies, these attachments should be uploaded using the "SWR 38 Data" classification.
- **If you are amending an application that previously received an exception to Rule 37 or 38, and additional notification is not required for the amendment, it is still required to attach all documents that were needed to previously approve the exception.**
    - If the wellbore moves closer to a lease line that it is exception to, or another well that it is exceptional to, then an additional notification **WILL** be required.
    - If the producing interval or producing point is not moving, then an additional notification is not required.
    - If the producing interval or producing point is moving away from a lease line or well that created the exception, then an additional notification is not required.
    - Waivers are only valid for 6 months, so if you are amending a W-1 that resolved a rule exception with a Waiver and the amendment is filed more than 6 months after the date on the waiver, **a new waiver will be required.**

Additional attachment details:
- Filenames: The RRC Online System does not allow special characters in the filenames. These characters are things like question marks, apostrophes, slashes, ampersands, etc… Please ensure that your filename does not contain any of these special characters. The only special character that will be allowed is the number/pound/hashtag symbol. (Shift+3 on your keyboard).
    - If you receive an error message when attaching a document and you see "Error Code: 500" somewhere in the error message, then this means that you have an unacceptable character in your filename and will need to rename the attachment.
        - Simple rule of thumb. Do not have any symbols or punctuation in your filename. Letters or numbers only are the easiest way to avoid this error.
- Filetypes: Plats, P-16's, P-12's, waivers, etc. : .PDF or .TIF (the online system cannot accept .tiff, ensure there is only one 'F'). Service Lists can be .csv files (comma separated values) or .docx format.
    - It is only required to attach a plat in **one format**. If you have generated a plat in both .TIF and .PDF, you only need to attach one of them. It is not necessary to attach both formats for the same plat.
- File Size: **all attachments must be less than 4.0MB. The online system cannot accept anything larger than exactly 4.0MB.**

If a problem letter is received, you will submit any revised attachments as a reply to the problem email you received.

Once submitted, changes to a W-1 application can only be made by RRC staff.

ATTACHMENTS TAB (2 of 3)

Waivers, Lists, and Letters for rule exceptions or off lease PoP's:

- **Any waivers, service lists, or due diligence letters are required based on your exception resolution.**
  - ***A Due Diligence Letter is required anytime you are requesting publication for a rule exception.***
- **A field transfer letter is required for ALL Field Transfer applications.**

Attachment requirements:

When are various attachments needed? :

- **Plat**:
  - A plat will be required for every permit, regardless of the type.
  - **ALL plats filed with a pooled unit application, or an application that contains a statewide rule exception MUST BE CERTIFIED** (this includes ALL Allocation and PSA applications).
    - If your plat was created by a third-party surveying company, then the seal of the RPLS must be shown.
      - If additions or small labeling corrections are made to a plat that is certified by a RPLS (as a result of a problem letter, for example), then you must include an additional certification that states something to the effect of: "I certify that the additions to this plat are true and correct to the best of my knowledge."
      - You will also leave the RPLS certification in place, because you are not changing their work, simply adding to it.
    - If your plat was created in your office (hand drawn or digital), then you must include a self certification that states something to the effect of: "I certify that the information on this plat is true and

correct to the best of my knowledge.”

- **The first well in a field will always require a lease plat**, if the full areal extent of the lease cannot be seen on the well plat.
- **When filing for a pooled unit, a P-12 plat will be required**, if the full areal extent of the unit cannot be seen on the well plat.
    - The well plat, or P-12 plat, should show the tract borders within the unit.
    - The tract labeling on the well plat, or P-12 plat, should match the tract labeling on the provided P-12.
- **When filing for an Allocation or PSA permit, a lease plat will always be required**, regardless of the well count, if the full extent of the developmental acreage cannot be seen on the well plat.
    - The tract labeling on the well plat or the Unit plat, should match the tract names (or identifiers) in Section 5 of the provided P-16.
    - If one, or more, of the tracts involved with an Allocation or PSA permit are pooled, then a unit plat for that acreage is required, if the tract divisions in the pooled unit cannot be seen on the well plat.
        - In this situation, the unit plat does not need to match the Allocation or PSA permit, however it needs to match and correspond with the tract labeling and acreage for the corresponding P-12 (see next section for P-12 information).
            - This will only be needed if the full acreage and tract divisions, of the pooled tract, cannot be seen on the well plat.

- **P-12**:
    - A P-12 will be needed for any application that is marked as a pooled unit.
    - If your acreage is Unitized, you will simply enter the unitized docket number in the provided box on the Field Details tab. A P-12 will not be needed in this case.
    - **If you are filing for an Allocation or PSA permit, a P-12 will be required for each pooled unit that is being used in the developmental acreage. (The full pooled unit must be used. You cannot use a portion of a pooled unit).**
        - In this situation, the P-12 does not need to match the Allocation or PSA W-1, however it needs to match and correspond with the tract labeling and acreage for the pooled unit that it supports. (ie: you may use a P-12 from a previous well application from the pooled unit, so long as the tract labeling and acreage on the P-12 matches the tract information on the provided well plat or additional unit plat. The well number will not matter in this case; and the lease name and acreage on the P-12 needs to match the pooled acreage,

and not the Allocation or PSA lease name and acreage.)

- This will only be needed if a tract in the developmental acreage is pooled. If you do not have any pooled tracts in your Allocation or PSA unit, then you do NOT need to file a P-12. Allocations and PSAs are not, in and of themselves, pooled units; *therefore, if you have checked either Allocation or PSA on the General Information tab, you will **NEVER** check pooled unit on the Field Details tab.*

- **If multiple P-12s are needed due to your Allocation or PSA incorporating more than one pooled unit, please upload each P-12 as separate files. Do not combine both P-12's into a single file.**
    - If a particular P-12 requires multiple pages, it is ok to combine the pages into one file; however do not combine the P-12s for different pooled units.

- **P-16**:
    - A P-16 is required for the following conditions:
        - Any well filed in a UFT designated field (Unconventional Fracture Treated), regardless of the wellbore profile.
            - (Vertical, Directional, and Horizontal all require a P-16 in UFT fields).
        - ALL horizontal well, regardless of the field. (this includes UFT fields, Wildcat, and all other fields).
        - ALL Allocation and PSA permit applications.
    - For instructions on filling out a P-16 please reference the following resources:
        - RRC website:
            - On the RRC homepage, type "P-16 Instructions" in the search bar, in the upper right of the homepage.
                - The Form P-16 has recently been amended, and along with that, new sets of instructions were written. One set covers the requirement for a P-16 with a W-1 filing the other set covers the requirements for a P-16 with a completion packet filing.
        - Austin conference:
            - On the RRC homepage, use the search bar and look for the Allocation and PSA presentation.
                - This presentation covers procedures for Allocation and PSA permits, and covers P-16 requirements and procedures for these types of applications.

- **Waivers, Lists, and Letters**:
  - Field Transfer Letters:
    - Field Transfer permits will always required the approved field transfer letter from the RRC engineering group.
      - If you do not have this letter, you need to obtain one before filing for a field transfer permit.
  - Off Lease Penetration Point Documents:
    - If your application contains an off-lease penetration point, additional documents are required if you are not your own offset:
      - A waiver may be provided from the affected offset party(s). This should be uploaded an as "Off-Lease Penetration Point Waiver."
      - If you have served the affected party(s) a 21-day notification, all documents sent to the offset should be uploaded as "Off-Lease PP Notice."
        - Please see Slide #15 and the associated notes for details on off-lease penetration procedures.
  - Waivers:
    - Waivers may be needed for Statewide Rule Exception resolutions, off-lease penetration points, etc..
      - If attaching a waiver for an off-lease penetration point, you must use the appropriate classification from the drop-down menu on the attachments tab. Select "Off Lease PP Waiver."
      - All other waivers should be uploaded using the simple classification of "Waiver."
        - For detailed information on SWR waivers, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
  - Due Diligence Letters:
    - If you are requesting publication to notify affected offsets of a SWR exception application, you are required to provide a letter of due diligence that states you exhausted all options to locate the affected party. This should be uploaded using the eponymous classification of "Due Diligence Letter."
      - For additional information on SWR publication procedures, please see the SWR 37/38 presentation, authored by Lorenzo Garza and Chris Houston.
  - Service Lists:
    - If your application has a SWR exception and requires a 21-day notice, you are required to attach a service list with address information of the affected party(s).
  - SWR 38 Data:

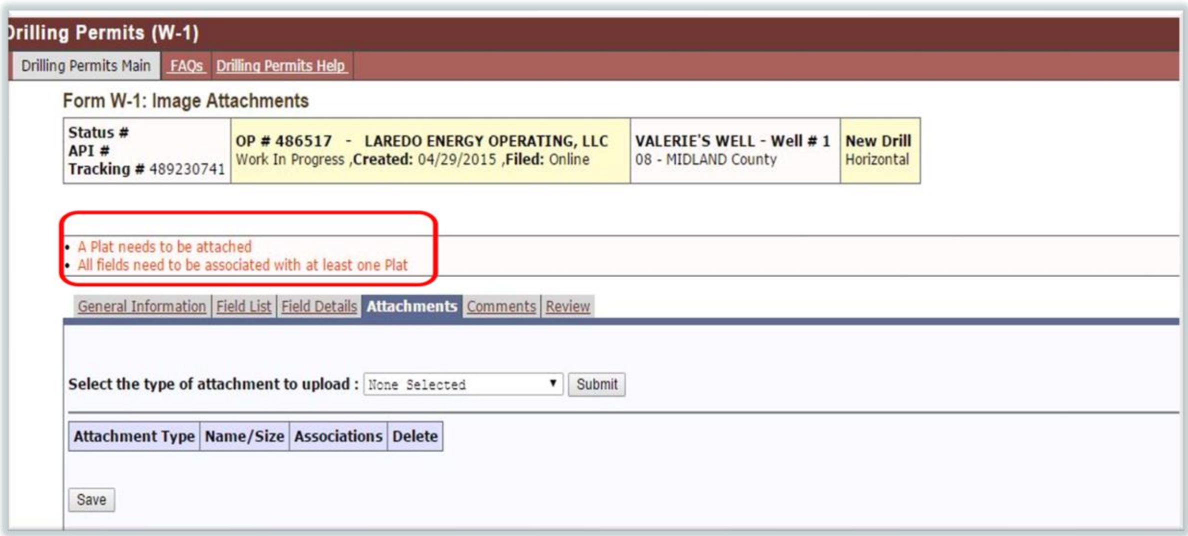
- If your application has a SWR 38 exception, you may be required to provide geologic and volumetric data. If this applies, these attachments should be uploaded using the “SWR 38 Data” classification.
- **If you are amending an application that previously received an exception to Rule 37 or 38, and additional notification is not required for the amendment, it is still required to attach all documents that were needed to previously approve the exception.**
  - If the wellbore moves closer to a lease line that it is exception to, or another well that it is exceptional to, then an additional notification **WILL** be required.
  - If the producing interval or producing point is not moving, then an additional notification is not required.
  - If the producing interval or producing point is moving away from a lease line or well that created the exception, then an additional notification is not required.
  - Waivers are only valid for 6 months, so if you are amending a W-1 that resolved a rule exception with a Waiver and the amendment is filed more than 6 months after the date on the waiver, **a new waiver will be required.**

Additional attachment details:
- Filenames: The RRC Online System does not allow special characters in the filenames. These characters are things like question marks, apostrophes, slashes, ampersands, etc… Please ensure that your filename does not contain any of these special characters. The only special character that will be allowed is the number/pound/hashtag symbol. (Shift+3 on your keyboard).
  - If you receive an error message when attaching a document and you see “Error Code: 500” somewhere in the error message, then this means that you have an unacceptable character in your filename and will need to rename the attachment.
    - Simple rule of thumb. Do not have any ‘symbols’ or punctuation in your filename. Letters or numbers only, are the easiest way to avoid this error.
- Filetypes: Plats, P-16’s, P-12’s, waivers, etc : .PDF or .TIF (the online system cannot accept .tiff, ensure there is only one ‘F’). Service Lists can be .csv files (comma separated values) or .docx format.
  - It is only required to attach a plat in **one format**. If you have generated a plat in both .TIF and .PDF, you only need to attach one of them. It is not necessary to attach both formats for the same plat.
- File Size: **all attachments must be less than 4.0MB. The online system cannot accept anything larger than exactly 4.0MB.**

If a problem letter is received, you will submit any revised attachments as a reply to the problem email you received.

Once submitted, changes to a W-1 application can only be made by RRC staff.

ATTACHMENTS TAB (3 of 3)



- **If you are missing a required attachment, you will receive an error message similar to what is seen in this image.**
  - In the above image, the system is informing you that you do not have a plat attached.

- **When attaching a plat, it is required to associate it with a field.**
  - Once your plat is uploaded, you will see all fields you have on the application to the right, and each will have a selection radial. The plat should be associated with each field on the application, except in the following situation:
    - If you are filing a “refer to” permit. You may have a different acreage, well number, lease name, etc. for each field. This is acceptable; however, you are required to file a separate plat for each field that has different characteristics.
      - In this situation, you will associate each plat to only the field that it applies to.

- **P-12 association works in the same way, except it will reference a plat.**
  - If your application requires a P-12, you will see each plat attached, to the right, with selection radials. This is identical to the above description of plat association.
    - If you are only filing a well plat, by default it will be selected the

associated plat for your P-12, because it is the only attached plat that can be referenced.

- If you have provided a unit plat, you will select that particular file as the associated plat. The well plat, in this case, will not be associated with the P-12. This is because the information pertaining to the P-12 is visible on the unit plat and not on the well plat.

ATTACHMENTS: P-12 (1 of 3)

- **For pooled units only, or when a pooled unit is being used with an Allocation or PSA permit.**
- **Operator Name, Field Name, and Lease Name should match the acreage the P-12 supports.**
- **Well number should match the W1 (unless the W1 is an allocation or PSA well, see notes for details on this).**

- **P-12 Specifics**:
  - A P-12 will be needed for any application that is marked as a pooled unit, or if a pooled unit is being used with an Allocation or PSA permit. (see below for details).
  - If your acreage is Unitized, you will simply enter the unitized docket number in the provided box on the Field Details tab. A P-12 will not be needed in this case.
  - **If you are filing for an Allocation or PSA permit, which is using a pooled tract, a P-12 will be required**.
    - In this situation, the P-12 does not need to match the Allocation or PSA permit, however, the tract labeling, and acreage, is still required to match the pooled unit that the P-12 supports. (ie: you may use a P-12 from a previous well application from the pooled unit, so long as the tract labeling and acreage on the P-12 matches the tract information on the provided well plat or additional unit plat. The well number will not matter in this case; and the lease name and acreage on the P-12 needs to match the pooled acreage, and not the Allocation or PSA lease name and acreage.)
      - This will only be needed if a tract in the developmental

acreage is pooled. If you do not have any pooled tracts in your Allocation or PSA unit, then you do NOT need to file a P-12. Allocations and PSAs are not, in and of themselves, pooled units.

    - If the tracts for any pooled unit(s) involved with an Allocation or PSA are not shown on the well plat, additional P-12 plats will be required to show the tract breakdown for these wells.

  - **The pooled unit box on the W1 will not be checked if you are using a pooled unit with an Allocation or PSA.** Although the Allocation or PSA acreage is using a pooled unit(s), it is not pooled itself, therefore the W1 will NOT indicate a pooled unit.

- If you have multiple fields on a W1 application, you can use the phrase 'ALL FIELDS' in the field name box. You do not need to list out each field or attach multiple P-12's for each field.

- **If multiple P-12s are needed due to your Allocation or PSA incorporating more than one pooled unit, please upload each P-12 as separate files. Do not combine both P-12's into a single file.**
  - If a particular P-12 requires multiple pages, it is ok to combine the pages into one file; however do not combine the P-12s for different pooled units.

ATTACHMENTS: P-12 (2 of 3)

- **Tract identifiers on the Form should match the tract identifiers on the plat.**
- **Tract acreages should match the tract acreages on the plat.**
- **Indicate any partially unleased interests or non-pooled interests by checking the appropriate box for each tract.**

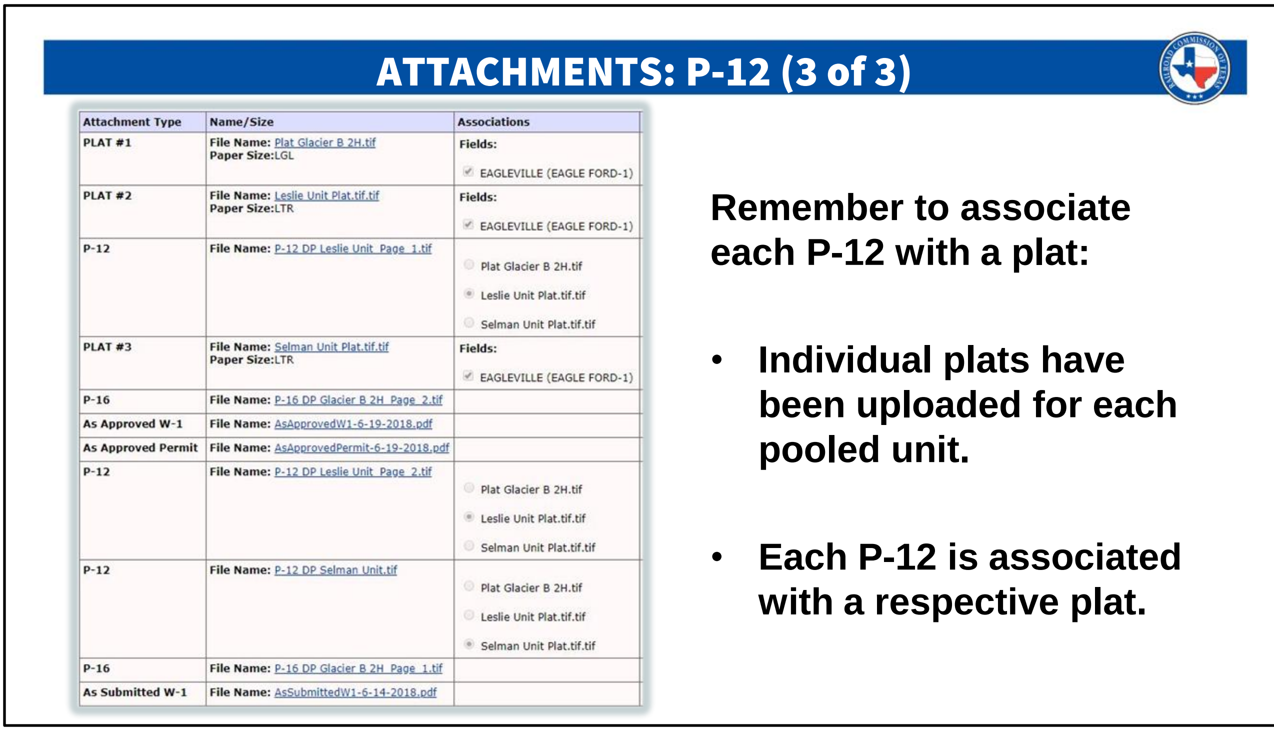
- **P-12 Specifics**:
  - A P-12 will be needed for any application that is marked as a pooled unit, or if a pooled unit is being used with an Allocation or PSA permit. (see below for details).
  - If your acreage is Unitized, you will simply enter the unitized docket number in the provided box on the Field Details tab. A P-12 will not be needed in this case.
  - **If you are filing for an Allocation or PSA permit, which is using a pooled tract, a P-12 will be required**.
    - In this situation, the P-12 does not need to match the Allocation or PSA permit, however, the tract labeling, and acreage, is still required to match the pooled unit that the P-12 supports. (ie: you may use a P-12 from a previous well application from the pooled unit, so long as the tract labeling and acreage on the P-12 matches the tract information on the provided well plat or additional unit plat. The well number will not matter in this case; and the lease name and acreage on the P-12 needs to match the pooled acreage, and not the Allocation or PSA lease name and acreage.)
      - This will only be needed if a tract in the developmental

acreage is pooled. If you do not have any pooled tracts in your Allocation or PSA unit, then you do NOT need to file a P-12. Allocations and PSAs are not, in and of themselves, pooled units.

        - If the tracts for any pooled unit(s) involved with an Allocation or PSA are not shown on the well plat, additional P-12 plats will be required to show the tract breakdown for these wells.
    - **The pooled unit box on the W1 will not be checked if you are using a pooled unit with an Allocation or PSA.** Although the Allocation or PSA acreage is using a pooled unit(s), it is not pooled itself, therefore the W1 will NOT indicate a pooled unit.

- If you have multiple fields on a W1 application, you can use the phrase 'ALL FIELDS' in the field name box. You do not need to list out each field or attach multiple P-12's for each field.

- **If multiple P-12s are needed due to your Allocation or PSA incorporating more than one pooled unit, please upload each P-12 as separate files. Do not combine both P-12's into a single file.**
    - If a particular P-12 requires multiple pages, it is ok to combine the pages into one file; however do not combine the P-12s for different pooled units.



Attachment Type	Name/Size	Associations
PLAT #1	**File Name:** Plat Glacier B 2H.tif **Paper Size:**LGL	**Fields:** EAGLEVILLE (EAGLE FORD-1)
PLAT #2	**File Name:** Leslie Unit Plat.tif.tif **Paper Size:**LTR	**Fields:** EAGLEVILLE (EAGLE FORD-1)
P-12	**File Name:** P-12 DP Leslie Unit_Page_1.tif	Plat Glacier B 2H.tif Leslie Unit Plat.tif.tif Selman Unit Plat.tif.tif
PLAT #3	**File Name:** Selman Unit Plat.tif.tif **Paper Size:**LTR	**Fields:** EAGLEVILLE (EAGLE FORD-1)
P-16	**File Name:** P-16 DP Glacier B 2H_Page_2.tif	
As Approved W-1	**File Name:** AsApprovedW1-6-19-2018.pdf	
As Approved Permit	**File Name:** AsApprovedPermit-6-19-2018.pdf	
P-12	**File Name:** P-12 DP Leslie Unit_Page_2.tif	Plat Glacier B 2H.tif Leslie Unit Plat.tif.tif Selman Unit Plat.tif.tif
P-12	**File Name:** P-12 DP Selman Unit.tif	Plat Glacier B 2H.tif Leslie Unit Plat.tif.tif Selman Unit Plat.tif.tif
P-16	**File Name:** P-16 DP Glacier B 2H_Page_1.tif	
As Submitted W-1	**File Name:** AsSubmittedW1-6-14-2018.pdf	

- When a P-12 is attached to a W1 application, it is important to associate it to a plat (discussed in the notes on Slide #27).
    - This allows RRC staff, Industry personnel, and members of the general public to know which plat to open so that the P-12 can be reviewed.

- This is especially important when multiple pooled units are being used with an Allocation or PSA well.
    - In the above image, there are three plats attached. A well plat, and an individual plat for each pooled unit.
    - There are two P-12s attached. One P-12 is two pages, and they are linked to its respective lease plat. The other P-12 is one page and is linked to its respective lease plat.

- Please remember to correctly associate your P-12's and plat. This can shorten the review time of your application, as it allows staff to sort through the documents more efficiently.

ATTACHMENTS: P-16 (1 of 2)

When to attach a P-16:

- **All wells in UFT fields (regardless of profile).**
- **All horizontal wells (regardless of field).**
- **All Allocation and PSA wells.**

- **P-16 Specifics**:
  - A P-16 is required under the following conditions:
    - Any well filed in a UFT designated field (Unconventional Fracture Treated), regardless of the wellbore profile.
      - (Vertical, Directional, and Horizontal all require a P-16 in UFT fields).
    - ALL horizontal wells, statewide, regardless of the field. (this includes UFT fields, Wildcat, and all other fields).
    - ALL Allocation and PSA permit applications.

  - The P-16 is specific to each field on a W1 application.
    - If your W1 application has multiple that require a P-16, then you need to fill out **separate** P-16s.
      - Using the phrase 'ALL FIELDS' will not be acceptable on a P-16.
        - The information for one field may not be the same for the other field(s).
    - **When you have multiple P-16s it is required to attach them as separate files.**
      - **DO NOT** combine multiple P-16s into one file.
      - If a P-16 requires multiple pages, it is acceptable to combine the **pages** into one file; however, *do not combine P-16's for*

different fields into one file.

- **All producing wells in the applied for acreage and field that have been completed or proposed, will be listed.**
    - A well is considered proposed if:
        - It has been drilled, but not yet completed.
        - Permitted but not yet drilled.
        - Applied for but not yet approved.
    - When listing wells that are proposed, you only need to show the minimum acreage per the field rules.
    - When listing wells that are completed to the proration schedule, it is required to show the acreage currently assigned to the well on the most current proration schedule.
        - In some cases, this may create the appearance that your lease is over-assigned. This is ok, as we can see that acreage can be reduced on completed wells to accommodate the new ones.
    - Service Type wells will NOT be listed on a P-16.
        - This includes Injectors, SWD wells, Brine wells, Pilot holes, Monitor wells, Science wells, Test wells, etc.

- **If a field is classified as UFT:**
    - If you are applying for a horizontal well, you **DO NOT** need to list the vertical and directional wells that exist in the same acreage and field.
    - If you are applying for a vertical or directional well, you **DO NOT** need to list the horizontal wells that exist in the same acreage and field.
    - (if you do not have a UFT field, then you will still list all profiles)

- Sections 1 and 2 must match the W1 application and are required to be filled out for all types of wells or leases when a P-16 is required.
- Sections 4 is a comments section where you can provide the RRC with useful information for your application.
    - If you have a PSA well, this is where you would give us the percentage of Mineral and Working interests that have agreed to the Production Sharing Agreement. (see the conference presentation on Allocation and PSAs for more details).

- **Regular lease wells, pooled unit wells, or unitized acreage wells will only use Section 3 to list well information.**

- **Allocation or PSA wells will only use Sections 5 and 6 to list tract information and well information.** (*Section 3 is empty for ALL Allocation or PSA filings. This applies to both the W-1 P-16, and the G-1/W-2 P-16)*.

- If an ownership interval exists on your lease, then your well count and P-16 listing will only include wells within the interval shown in Section II of the P-16 and in the SWR 40 section on the W-1.
- If any of your developmental tracts for an Allocation or PSA are subject to a horizontal division of ownership, then you will list the ownership interval in Section V for each developmental tract that is subject to a division of ownership. (If a tract has full interval rights, you will leave the interval boxes empty).
    - Well count and P-16 well listing will be calculated from within each severance listed in Section V.

- **P-16 Instructions:**
    - On the RRC homepage, type “P-16 Instructions” in the search bar, in the upper right of the homepage.
        - The Form P-16 has recently been amended, and along with that, new sets of instructions were written. One set covers the requirement for a P-16 with a W-1 filing the other set covers the requirements for a P-16 with a completion packet filing.

ATTACHMENTS: P-16 (2 of 2)

REQUIRED SECTION BY PROFILE TYPE

Wellbore Profile	Section I	Section II	Section III	Section IV	Section V	Section VI	Attachment 1A	Attachment 2A
Vertical Well	Yes	Yes	Yes	Optional	No	No	Optional	No
Directional Well	Yes	Yes	Yes	Optional	No	No	Optional	No
Horizontal Well	Yes	Yes	Yes	Optional	No	No	Optional	No
Allocation Well	Yes	Yes	No	Optional	Yes	Yes	No	Optional
PSA Well	Yes	Yes	No	Yes	Yes	Yes	No	Optional
Stacked Lateral Well	Yes	Yes	Yes	Optional	No	No	Optional	No
Stacked Lateral Allocation Well	Yes	Yes	No	Optional	Yes	Yes	No	Optional
Stacked Lateral PSA Well	Yes	Yes	No	Optional	Yes	Yes	No	Optional

NOTE: For a PSA well, it is required to add the percentage of agreement statement in Section IV.

- To permit and complete a PSA well, you must have obtained agreement from at least 65% of the MINERAL and WORKING interests, in EACH developmental tract, for the Production Sharing Agreement proposal.
- This statement is required in Section IV.
- Any additional information you wish to provide is optional (and always encouraged); however, the percentage statement is required for any PSA well.
- The most basic example of this statement that will be accepted is:
    - “(Operator Name) has obtained agreement from at least 65% of the Mineral and Working interests, in each tract, for this PSA.”

ATTACHMENTS: RULE 40 NOTICE

If you are applying for a Rule 40(e)(2) exception and are not the only offset within a half mile of your well:

Please use the specific attachment types.

- **SWR 40 NOTICE**
- **SWR 40 SERVICE LIST**

  - **If notice and service list are combined, upload the file twice, using both types.**
  - **Half mile plat will be uploaded using either type, if provided as a separate file.**

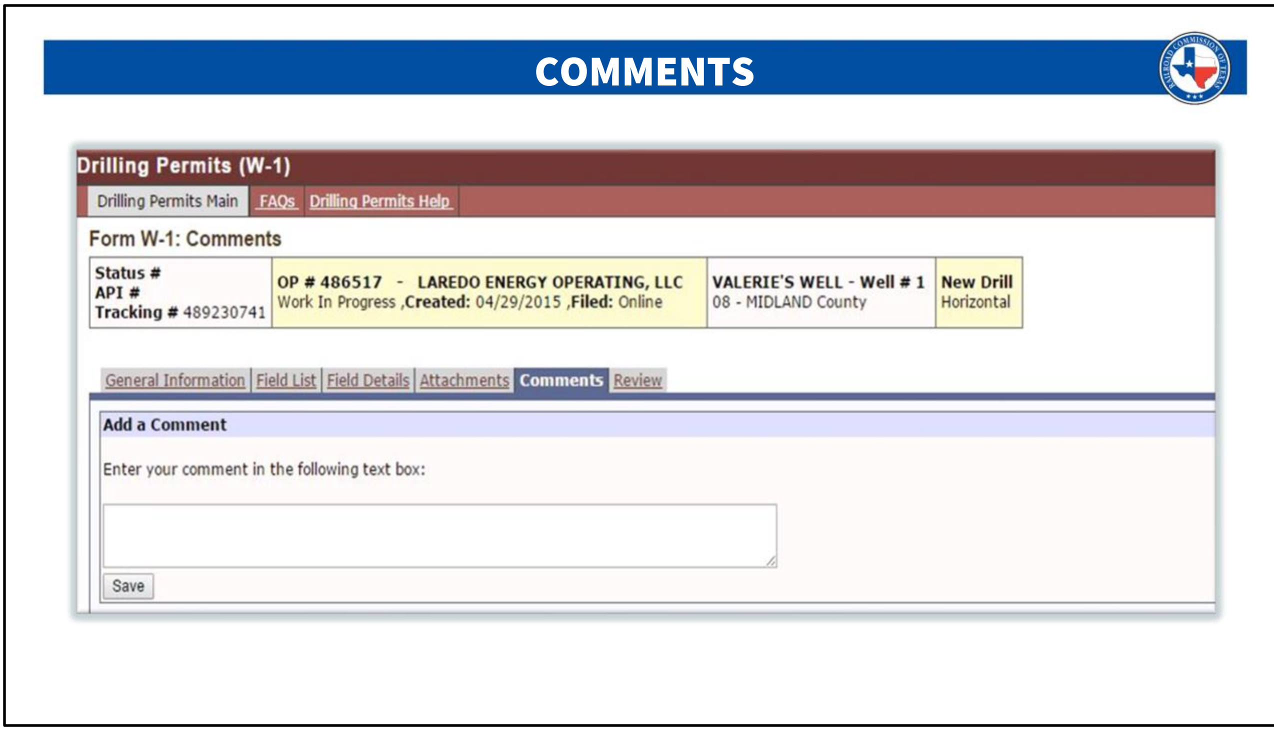
- If an ownership interval exists on the submitted W-1, in the SWR 40 section, and you have answered Question #4 with NO, the Rule 40 notice documents are required to be attached.

- The attachments should include:
  - **The notification letter**, dated no earlier than 15 days prior to the W-1 submission.
    - It can be dated the same day as submission, or anytime between the submission date and 15 days prior.
    - A notification dated 16 days prior to the W-1 submission will be required to be sent again, and the new dated notification provided.
      - A problem letter will be sent if this is identified. The new documents can be sent as a response to that problem.
  - **A half mile plat.**
    - The offsets within half a mile of the producing section of the wellbore should be clearly labeled, along with the radius (half mile diameter).
    - This is not field specific, all operators found within the half mile radius should be labeled.

- **Two specific file attachment types exist:**
  - SWR 40 NOTICE

  - SWR 40 SERVICE LIST
- **Please use these new attachment types when uploading your Rule 40 notice.**
  - If your Notice letter and service list are combined in the same file, then please upload it twice using each classification.
  - The half mile plat will be uploaded as SWR 40 NOTICE

- It is very helpful to add the words “Rule 40 Notice” or “Rule 40 Service List” into the filename for these attachments.



The comments page is important. This is where any and all information that you feel may be useful in the review of the W-1 can be noted.

If the wellbore is complicated, or there are existing issues on the lease, you can tell us this here. This can be very helpful in the review of a permit, can help speed up the review of your W-1 submission, and can help avoid a problem letter.

- Please **DO NOT** place information in the "*additional information about the location*" box that is on the General Information tab and on the Field Details tab. **These boxes are for additional survey information and NOT for informative comments or alerts.**
    - Comments such as surface location located off-lease, penetration point is off-lease, etc.. Should all be placed in the comments box, on the comments tab, and NOT the survey information boxes.

REVIEW (1 of 2)

This is the last step before payment:

- **Goal is to have a blue check mark for each section.**
- **If errors exist click edit to go to the tab and resolve issues.**
- **When all sections show blue checkmarks, the application is ready to be submitted.**

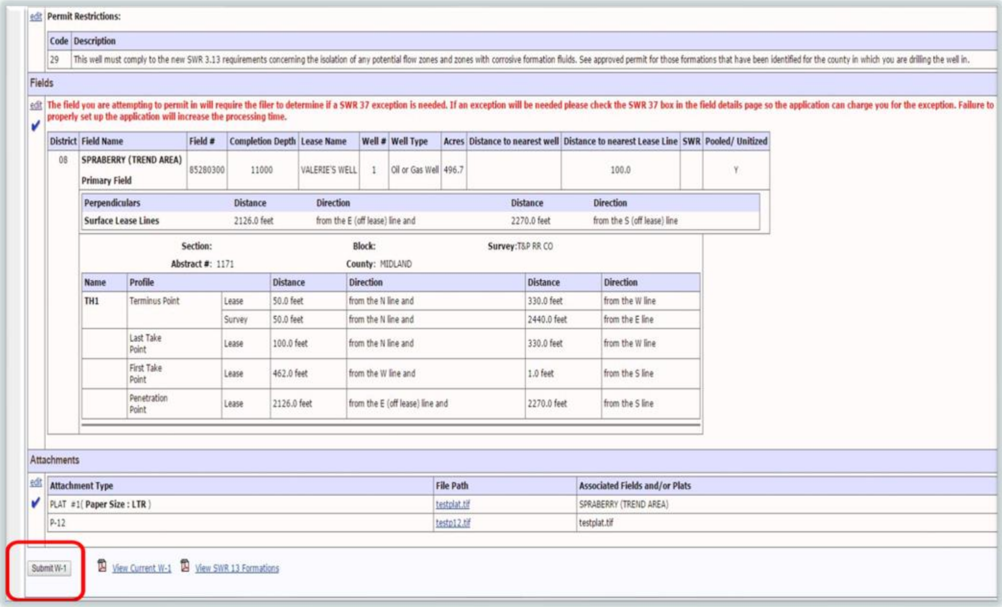
- **Always review your permit before you submit it !!!**
  - Problem letters will slow down your application and can be avoided by a simple double check of the application for accuracy.

- Verify well number, lease name, and operator name across all documents to ensure that they all match the W1.
- Verify that all call distances were entered accurately per the plat.
- Verify well counts, and acreage reporting on the P-16 and W1.

These are basic suggestions, and there are certainly more review checks that can be done.

- **Reviewing your application and all attachments is the best defense against receiving a problem letter !!!**
  - A review of your application should not be done simply to avoid a problem letter, but should be standard procedure to ensure accuracy of your filing.
    - A review can help avoid problem letters, but can also prevent the need for amending a permit and can also avoid conflicts with additional applications such as a SWR 40 double assignment of acreage, or between well exceptions, et

REVIEW (2 of 2)



edit **Permit Restrictions:**

Code	Description
29	This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.

Fields

edit The field you are attempting to permit in will require the filer to determine if a SWR 37 exception is needed. If an exception will be needed please check the SWR 37 box in the field details page so the application can charge you for the exception. Failure to properly set up the application will increase the processing time.

District	Field Name	Field #	Completion Depth	Lease Name	Well #	Well Type	Acres	Distance to nearest well	Distance to nearest Lease Line	SWR	Pooled/ Unitized
08	SPRABERRY (TREND AREA) Primary Field	85280300	11000	VALERIE'S WELL	1	Oil or Gas Well	496.7		100.0		Y

Perpendiculars	Distance	Direction	Distance	Direction
Surface Lease Lines	2126.0 feet	from the E (off lease) line and	2270.0 feet	from the S (off lease) line

Section: Block: Survey:T&P RR CO

Abstract #: 1171 County: MIDLAND

Name	Profile		Distance	Direction	Distance	Direction
TH1	Terminus Point	Lease	50.0 feet	from the N line and	330.0 feet	from the W line
		Survey	50.0 feet	from the N line and	2440.0 feet	from the E line
	Last Take Point	Lease	100.0 feet	from the N line and	330.0 feet	from the W line
	First Take Point	Lease	462.0 feet	from the W line and	1.0 feet	from the S line
	Penetration Point	Lease	2126.0 feet	from the E (off lease) line and	2270.0 feet	from the S line

Attachments

Attachment Type	File Path	Associated Fields and/or Plats
PLAT #1(**Paper Size : LTR**)	testplat.tif	SPRABERRY (TREND AREA)
P-12	testp12.tif	testplat.tif

Submit W-1 View Current W-1 View SWR 13 Formations

- This screen shows you a breakdown of each tab that contains information on the application.

- On the left side, you should see blue checkmarks for each section. This will indicate that no errors or missing information exist.
  - If you see any other symbol, you can click on the word edit, for each tab that is showing an issue, to go back and check the information in that section.
    - Once you have clicked edit, you will be taken to the Field Details tab for that particular field. You can click the Save button and a message will pop up at the top detailing any issues that still remain. You can do this for each field that still shows errors.

- This step is where you should double check your application for accuracy.

- Remember, any problems identified during the review of your application, will delay its approval.
  - The vast majority of problems can be avoided by checking your work at this stage of the application process.

- Once you click the submit W-1 button, you will be taken to the payment page.

- Once payment has been made, the application will be submitted to the system.

PAYMENT (1 of 2)

Payment Method Page

Status # **API #** **Tracking #** 491011143	**OP # 486517 - LAREDO ENERGY OPERATING, LLC** Work In Progress ,**Created:** 06/20/2017 ,**Filed:** Online	**SMITH - Well # 1H** 7C - ANDREWS County	**New Drill** Horizontal

Please select your choice of payment:

Credit Card | Electronic Check

Refer to the table below for requirements and conditions of each.

Payment Methods:

There are two ways to pay the filing fees associated with your W-1:

- Credit Card (using the State of Texas payment portal)
- Electronic Check (using the State of Texas payment portal)

See the following conditions for each method:

Payment Method	Requires	Additional Information
Credit Card	A valid credit card.	A fee of 2.25% and a fixed fee $0.26 are added to the cost of the permit.
Electronic Check	A valid checking or savings account.	Effective 12/1/2016, a fixed fee of $1 that is added to the cost of the permit will be decreased to 25 cents.

Back To Review Page

PAYMENT (2 of 2)

Form W-1: Payment

Status # **API #** **Tracking #** 489230741	**OP # 486517 - LAREDO ENERGY OPERATING, LLC** Work In Progress ,**Created:** 04/29/2015 ,**Filed:** Online	**VALERIE'S WELL - Well # 1** 08 - MIDLAND County	**New Drill** Horizontal

Please make sure purpose of filing is correct. If application is being filed at the request of RRC, make sure that this application as filed, satisfies the request. Attach a copy of the RRC correspondence with application. If the application is filed incorrectly all fees may be lost and you will be required to re-file.

Texas.gov Price: $ 1158.75

$375.00	This is an additional W-1 application fee when requesting the application to be processed expeditiously.
$750.00	This is a basic fee for a W-1 application to drill a well at a depth greater than 9000'.

Texas.gov Price - This online service is provided by Texas.gov, the official website of Texas. The price of this service includes funds that support the ongoing operations and enhancements of Texas.gov, which is provided by a third party in partnership with the State.

The country of domicile for this transaction is the U.S.A.

Make Payment (Pursuant to SWR 78(b)(1), this payment is a **non-refundable** fee.)

Click the **Make Payment** button above to proceed to the State Payment Portal secure site for processing your payment. To ensure a completed transaction, please wait for verification of payment processing before proceeding. Upon completion of the transaction, you will receive a return page with a **trace number** and **authorization information.**

Back To Payment Method Page   Back To Review Page

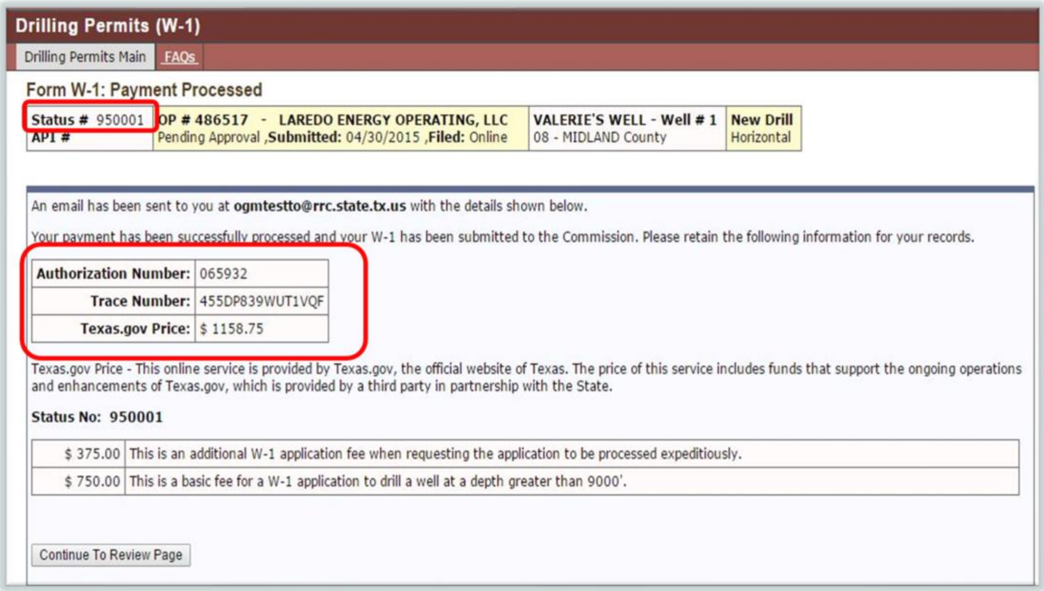
The warning on this page is your last notification to make sure that what you are filing is accurate. Once your payment is processed, your application will be submitted, and you will not be able to make additional changes.

After the W-1 has been submitted, any changes need to be requested through the Drilling Permits group.

If you receive a problem email from a W-1, then you need to reply to that email with any and all documents that have been requested, as well as information pertaining to any feedback or verification that was requested. You cannot make these changes yourself, only RRC staff can.

Per SWR 78, all fees are non-refundable.

PAYMENT PROCESSED



Drilling Permits (W-1)

Drilling Permits Main | FAQs

Form W-1: Payment Processed

Status # 950001 API #	OP # 486517 - LAREDO ENERGY OPERATING, LLC Pending Approval ,**Submitted:** 04/30/2015 ,**Filed:** Online	VALERIE'S WELL - Well # 1 08 - MIDLAND County	New Drill Horizontal

An email has been sent to you at **ogmtestto@rrc.state.tx.us** with the details shown below.

Your payment has been successfully processed and your W-1 has been submitted to the Commission. Please retain the following information for your records.

Authorization Number:	065932
Trace Number:	455DP839WUT1VQF
Texas.gov Price:	$ 1158.75

Texas.gov Price - This online service is provided by Texas.gov, the official website of Texas. The price of this service includes funds that support the ongoing operations and enhancements of Texas.gov, which is provided by a third party in partnership with the State.

Status No: 950001

$ 375.00	This is an additional W-1 application fee when requesting the application to be processed expeditiously.
$ 750.00	This is a basic fee for a W-1 application to drill a well at a depth greater than 9000'.

Continue To Review Page

- This is the screen you are shown after a successful payment.
  - This is your “receipt.”
    - The RRC does not keep these records, and you should print this to keep in your office records.
      - You can also digitally save this by doing a screen capture.
    - The payment portal is a service through the State Comptroller.
  - **Your permit is officially submitted if you see this screen**
    - RRC staff members can view your submitted permit after successful payment.
  - The authorization number and trace number refer to your payment transaction, for the amount shown.

PAYMENT ISSUES (1 of 4)

Staff can assist or investigate if:

- **System timed out during payment.**
- **Payment successful but W-1 not submitted.**
- **Duplicate payment messages.**

- If anything goes wrong during the payment process, you will need to contact the Drilling Permits group and ask to speak with the Manager or the Team Lead. Either one of these individuals can help investigate any payment issues.
  - If you have paid for your application, and it still shows as "work in progress," this means that the application did not actually get submitted and something may have happened during the payment process.
    - You will need to call us in this situation, so that the situation can be investigated.
  - If you receive a "Timed Out" message during payment, there is a chance the payment may have been successful.
    - If this happens, open another web browser and use the drilling permit query to look up your new W-1.
      - If you see it in either the API Verification queue or the Mapping Queue, then it was submitted successfully.
    - If you do not see your W-1 in either of the above listed queues, then the payment was not successful, and you will need to do it again.
  - If you receive any failed payment messages, your first step should be to contact your bank and ensure that the card you are using is not maxed out,

or has enough room for the payment; OR, that the account you are drafting out of has a balance sufficient to cover the payment.

- If the payment was successful, and you have received a receipt or a successful message, BUT do not see the application in the system:
    - DO NOT TRY TO RESUBMIT THE W-1. This could lead to double filings and double payments. Refunds are not given, so all monies would be lost if this occurs.
    - Instead of resubmitting, stop and call the Drilling Permits group. Either the Manager or the Team Lead can pull the application into the system.
        - Please have the tracking number from the payment screen ready if you need to call due to this issue.

- As always, with any digital system, there can be glitches from time to time. If any issue arises that are not covered here, just simply call the Drilling Permits group and someone will be able to help answer your questions or transfer you to someone who can assist you.

PAYMENT ISSUES (2 of 4)

Staff cannot assist if:

- **Account balance is insufficient for payment.**
- **CC balance is insufficient for payment, or maxed.**
- **You used the wrong card or method of payment:**
  - ***If the wrong card or account was used, and payment was successful, we cannot issue a refund.***

- If anything goes wrong during the payment process, you will need to contact the Drilling Permits group and ask to speak with the Manager or the Team Lead. Either one of these individuals can help investigate any payment issues.
  - If you have paid for your application, and it still shows as "work in progress," this means that the application did not actually get submitted and something may have happened during the payment process.
    - You will need to call us in this situation, so that the situation can be investigated.
  - If you receive a "Timed Out" message during payment, there is a chance the payment may have been successful.
    - If this happens, open another web browser and use the drilling permit query to look up your new W-1.
      - If you see it in either the API Verification queue or the Mapping Queue, then it was submitted successfully.
    - If you do not see your W-1 in either of the above listed queues, then the payment was not successful, and you will need to do it again.
  - If you receive any failed payment messages, your first step should be to contact your bank and ensure that the card you are using is not maxed out,

or has enough room for the payment; OR, that the account you are drafting out of has a balance sufficient to cover the payment.

- If the payment was successful, and you have received a receipt or a successful message, BUT do not see the application in the system:
    - DO NOT TRY TO RESUBMIT THE W-1. This could lead to double filings and double payments. Refunds are not given, so all monies would be lost if this occurs.
    - Instead of resubmitting, stop and call the Drilling Permits group. Either the Manager or the Team Lead can pull the application into the system.
        - Please have the tracking number from the payment screen ready if you need to call due to this issue.

- As always, with any digital system, there can be glitches from time to time. If any issue arises that are not covered here, just simply call the Drilling Permits group and someone will be able to help answer your questions or transfer you to someone who can assist you.

PAYMENT ISSUES (3 of 4)

Tips for troubleshooting payment issues:

- Check your CC balance.
- Check your bank account balance.
- Use the Drilling Permit Query to check for successful submission.

PAYMENT ISSUES (4 of 4)

To avoid non-refundable fees, or duplicate payments please call the Drilling Permits group if you encounter any errors:

- **Do NOT try to resubmit if you have an issue. Call us first.**

- **You could inadvertently make two payments if you try to resubmit before calling.**

SWR 78

Statewide Rule 78 covers the financial aspects of the permitting process:

- **By Rule, all permitting fees are *Non-Refundable.***
- **If a W-1 is submitted with a Rule exception that is not needed, it will be removed, and the fees lost:**
  - ***Please be sure to check the accuracy of your filing before submitting.***
- **If you have any questions regarding a request to amend or recomplete, please call the Drilling Permits group first.**

- Statewide Rule 78 establishes that all Permitting fees are non-refundable. This is a legislated rule.
  - A direct quote from Rule 78 is at the end of the notes on this slide.
- We frequently encounter filings that have SWR exceptions on them, which are not needed.
  - Please be mindful of the field rules, and how you determine spacing or density exceptions.
  - If we remove a Rule exception, the fee will not be returned.
- If another Commission group requests you to file an amendment, reclass, recompletion, or field transfer, and you have questions or are unsure about the directive, please stop and call the Drilling Permits group FIRST.
  - If you file incorrectly, you may be forced to withdraw an application and then re-file it correctly.
    - If this happens the fees on the W-1 that was withdrawn, will not be refunded.
- Anytime you have questions or hesitations about a filing, it is ALWAYS recommended to call before you file.
  - Not doing so can financially impact your permitting process and drastically slow it down.

The following is an excerpt from State-Wide Rule 78:
b) Filing fees. The following filing fees are required to be paid to the Railroad Commission.

(1) With each application or materially amended application for a permit to drill, deepen, plug back, or reenter a well, the applicant shall submit to the Commission a **nonrefundable** fee of:

(A) $200 if the proposed total depth of the well is 2,000 feet or less;

(B) $225 if the proposed total depth of the well is greater than 2,000 feet but less than or equal to 4,000 feet;

(C) $250 if the proposed total depth of the well is greater than 4,000 feet but less than or equal to 9,000 feet; or

(D) $300 if the proposed total depth of the well is greater than 9,000 feet.

(2) An application for a permit to drill, deepen, plug back, or reenter a well will be considered materially amended if the amendment is made for a purpose other than:

(A) to add omitted required information;

(B) to correct typographical errors; or

(C) to correct clerical errors.

(3) An applicant shall submit an additional **nonrefundable** fee of $150 when requesting that the Commission expedite the application for a permit to drill, deepen, plug back, or reenter a well.

(4) With each individual application for an exception to any rule or rules in this chapter, the applicant shall submit to the Commission a **nonrefundable** fee of $150, except as provided in paragraph (5) of this subsection.

(5) With each application for an exception to any rule or rules in this chapter that includes an exception to §3.37 of this title (relating to Statewide Spacing Rule) (Statewide Rule 37) or §3.38 of this title (relating to Well Densities) (Statewide Rule 38), the applicant shall submit a **nonrefundable** fee of $200.

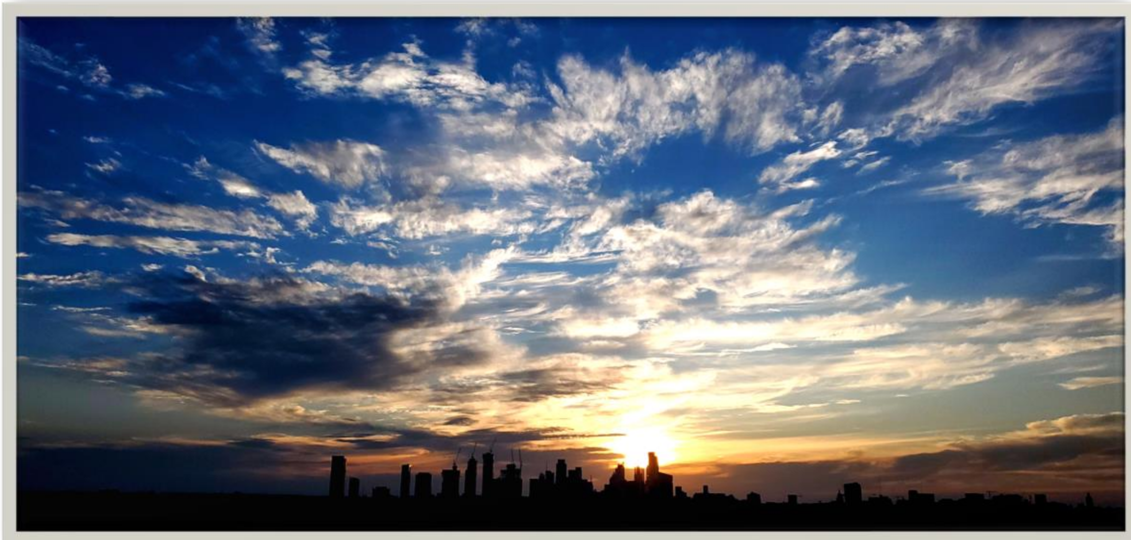
****Please note: The dollar amounts referenced in the above language are not indicative of the final filing fees.**

- There is an additional 150% surcharge on all fees.
    - Please consult the SCHEDULE OF FEES AND SURCHARGES for a reference of the total fees including surcharge amounts.
        - You can search for this on the RRC website using the name listed above.

REVIEW W-1 BEFORE SUBMITTING !!!

Remember: *You* are your best defense in preventing problems with your application. Please be diligent and REVIEW *before* submitting.

PAUSE AND REFLECT



FORM P-16 ACREAGE DESIGNATION

A Basic Overview and Interactive Exercise

We will switch to the P-16 excel file for this portion of the discussion.

FORM P-16 ACREAGE DESIGNATION (2 of 3)

Please visit the following link

2025 Regulatory Conference Presentations

(CTRL+click to open the link)

Find the W-1 Application and P-16: Online Filing (it’s near the bottom of the page).

Download:

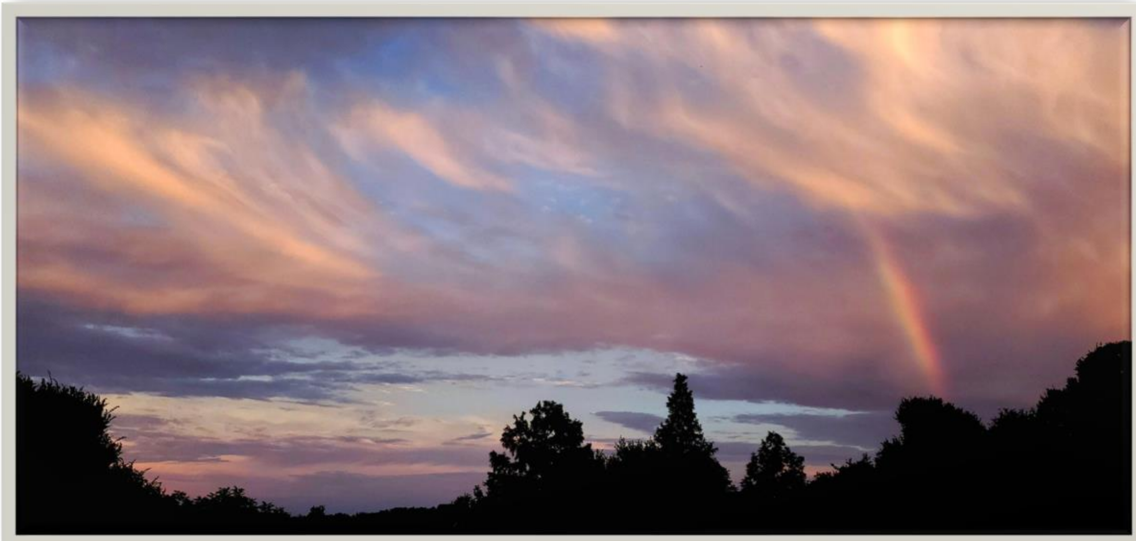
P-16 W-1 Worksheet.xlsx

FORM P-16 ACREAGE DESIGNATION (3 of 3)

You will enter information on the P-16 as the form is explained and manipulate pre-filled data.

This will provide a hands-on experience with the information detailed in the P-16 Handout.

WE ARE ALMOST DONE



Best practices (1 of 9)

- Review your W-1 BEFORE submitting the application.
  - We have seen an increase in the number of dp-info emails requesting corrections.
  - This is due to the W-1s being reviewed by the filer.
  - However, these reviews are being done after submission.
  - If the filer’s review is done BEFORE submission, time will be saved on both ends.

Best practices (2 of 9)

- Assess the well count accurately.
- Ensure all wells within the same field and acreage are included in the well count and listed on the P-16 (if applicable).
- If the well count has changed, add a comment.
  - Expired permits or completions in another field

Best practices (3 of 9)

- For Allocation and PSA wells ensure that the lease lines border are accurate.
- The plat is required to show a bolded or dark hash marked line.
  - Surrounding ONLY the developmental tracts listed in Section V of the P-16; or
  - Each individual tract is outlined individually
- Although a best practice, this is a requirement also.

Best practices (4 of 9)

- If the wellbore is oriented to the lease line at an angle:
  - Ensure that a perpendicular spacing call is shown on the plat.
  - Tied 90 degrees to the well. Intersects lease line at an angle.
  - The purpose is to show compliance to the perpendicular spacing rules (if dual lease line spacing exists).
  - This will be an additional call, separate from the lease line calls.
  - A problem will be sent if not shown on the plat.

Best practices (5 of 9)

- Submit your W-1 application in advance.
- Drilling Permit staff reviews ALL W-1s from ALL Districts on order of submission.
- The type of application does not change this.

Best practices (6 of 9)

- Once you have the information necessary to submit the W-1, it should be submitted.
- Waiting until the last minute to file the application will create a situation in you may not meet the spud date.
- “Push-Through” requests are for on site emergencies, not late filing.

Best practices (7 of 9)

- **Your submission timing should also consider:**
  - **Local permits that might be needed.**
  - **Injection permits that might be needed.**
  - **Statewide Rule 13 exceptions that might be needed.**
  - **SWR 37 and/or 38 notifications that might be needed.**

- **Notifications and exceptions cannot be rushed.**
  - **Please plan for this**

The District Office handles and reviews the Rule 13 exceptions.
A Rule 13 application can ONLY be submitted AFTER the W-1 is reviewed.

Failure to submit the W-1 in a timely manner will impact the District staff as well.

Be mindful as to whether or not you need a Rule 13 exception from the District Office.

Best practices (8 of 9)

- A W-1 that does not require Rule exceptions:
  - It's best to submit at least two weeks prior to spud
- A W-1 requiring a Rule exception (37/38) for which own offset, or waivers are used and/or a Rule 13 is needed:
  - Submit approx. 3 weeks prior to spud for a proper review
- If a 21-day notification is needed for a Rule 37 or 38 exception:
  - Submit at least 6 weeks prior to spud to allow for the 21-day notification and prior review

Best practices (9 of 9)

Following the preceding best practice tips can greatly increase the efficiency of your review.

Remember: *You* are your best defense in preventing problems with your application. Please be diligent and REVIEW *before* submitting.

CONTACT INFORMATION

Drilling Permit Main Phone Line	512-463-6751
General Questions (and corrections not related to a problem email)	drillingpermits-info@rrc.texas.gov
Publisher's Affidavits and Tear Sheets	SWR37@rrc.texas.gov
General Hearing Requests and Complaints (NOT resulting from a protest problem email)	OGHearingRequest@rrc.texas.gov
Protest Hearing Request (resulting from a protest problem email)	SWR37@rrc.texas.gov (or reply to the problem email)
Problem Responses	Reply to the problem email that was received
Manager: David King	David.King@rrc.texas.gov

Information about Drilling Permit email addresses:

General questions:
- Use: drillingpermits-info@rrc.texas.gov

If you have identified any mistakes or typos **and a problem has not been sent for it**:
- Use: drillingpermits-info@rrc.texas.gov

Submitting Publisher's Affidavits and Tear Sheets:
- Use: SWR37@rrc.texas.gov
  - When sending the affidavits:
    - Please send ONE email per status number
    - List the status number in the subject line (if you don't, you may receive a problem)
- If you have received a problem letter requesting the affidavits, then reply to the problem, do not send to the SWR37 address.

Hearing Requests and Complaints that are not the result of a problem email:
- Use: OGHearingRequest@rrc.Texas.gov
  - This is a new email group that has been set up
  - O&G staff will route the request to the relevant business group, and staff from that group will enter the request into the CASES system

Protest hearing requests (resulting from a protest problem email:

- You may reply to the problem email that was received
- If your legal counsel is sending in the response it should go to: SWR37@rrc.Texas.gov
  - Please ensure that you are providing a letter that names your legal counsel who will represent you at the hearing and also formally requests the hearing.

For any response to a problem:

- Simply reply to the email you received.
  - We have seen some cases where a new email has been drafted and sent to the problems address.
    - If the status number is not included with your custom email, it will delay the processing of the W-1.
  - Replying to the email you received will ensure that all information is visible so that your problem response can be forwarded to the analyst working it.
- Problems are forwarded out twice a day (just before lunch and at the end of the day).
  - Please allow time for the analyst to review your response and work the resolution on the W-1.
    - Problem responses do not immediately go to the analyst and require time for review.
    - They are worked in the order of receipt by the analyst and are balanced with W-1s that have yet to be reviewed.

THANK YOU

<u>Addendum #1:</u>

Stacked lateral U-Turn Well Information

<u>STACKED LATERAL U-TURN WELLS</u>

Can a U-Turn well be a stacked lateral?

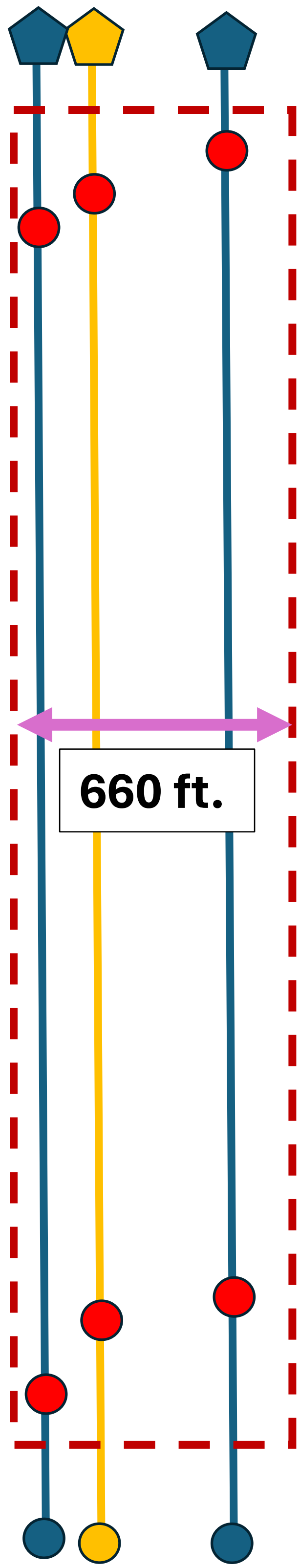
ONLY under field rules that have stacked lateral rule language establishing the box as being a distance to either side of the parent well, measured perpendicular to the orientation of the parent well.

Rule language that defines the dimensions of the stacked lateral box as being a rectangle that is not anchored to, or based off the orientation of, the parent well will not allow stacked lateral U-Turn wells.

- Garden City, S. (Wolfcamp) rules (and fields like it) **will ALLOW** stacked lateral U-Turns because the box can bend under these rules (it is anchored to the orientation of the wellbore).

- Spraberry (Trend Area) rules (and fields like it) **will NOT** allow stacked lateral U-Turns, because the box dimensions are explicitly defined in the rule language, and the box is not anchored to or based off the orientation of the wellbore, which prevents the stacked lateral box from bending or curving.

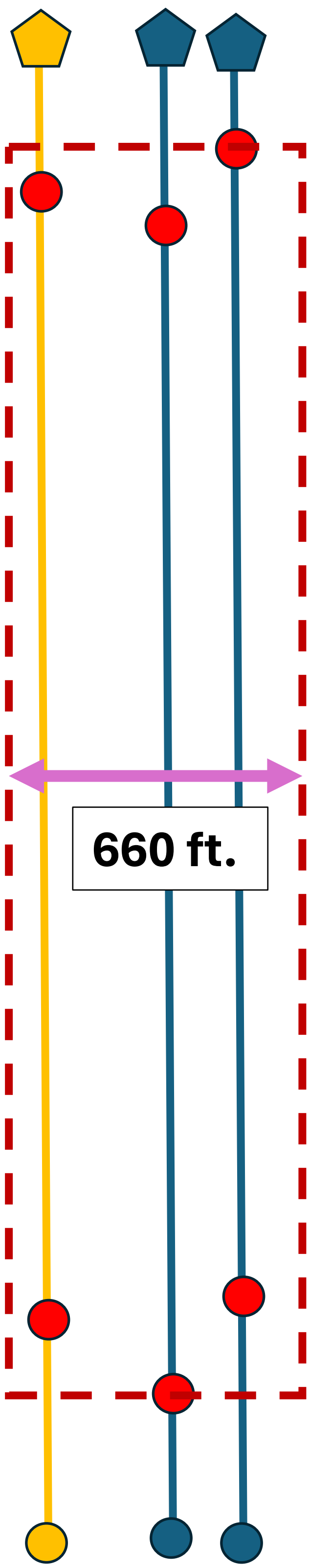
- SWR 86 language **will NOT** allow stacked lateral U-Turns, because the box dimensions are explicitly defined in the rule language, and the box is not anchored to or based off the orientation of the wellbore, which prevents the stacked lateral box from bending or curving.



SWR 86(a)(10)(C)

All take points of a stacked lateral well's horizontal drainholes are within a rectangular area the width of which is 660 feet, and the length of which is 1.2 times the distance between the first and last take points of the record well.

- Box is 660 feet wide
- Can slide left to right
- Not based on distance from the parent well
- Length (Height) – 1.2 times the distance between the FTP and LTP of parent well



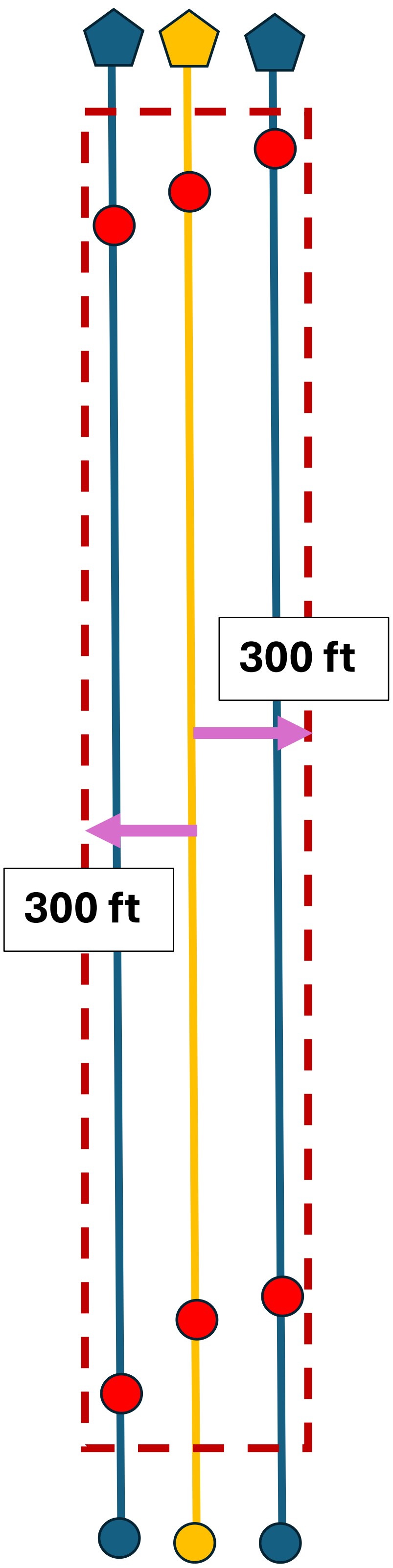
Spraberry (Trend Area)

Docket #OG-21-00006726 and 6727

Rule 6(1)(c)

All take points of a Stacked Lateral Well's horizontal drainholes shall be within a rectangular area the width of which is SIX HUNDRED SIXTY (660) feet, and the length of which is the distance from the two most distant take points

- **Box is 660 feet wide**
- **Can slide left to right**
- **Not based on distance from the parent well**
- **Length (Height) – distance between two most distance take points (of any well in the set)**



Garden City, S. (Wolfcamp)

Docket #08-0287087

Rule 5(1)(c)

Each point of a Stacked Lateral Well's horizontal drainhole shall be no more than 300 feet in a horizontal direction from any point along any other horizontal drainhole of that same Stacked Lateral Well. This distance is measured perpendicular to the orientation of the wellbore.

- **Box is 600 feet wide**
- **Fixed on parent well**
- **No sliding left or right**
- **Perpendicular to orientation allows the box to bend as the well bends.**

Addendum #2:

Problem resolution process

How to resolve a problem email (1 of 3)

- Read the problem letter in full.
- If you receive multiple from the same batch, do not assume that they are all the same.
- Even from the same batch of wells, the problems can (and do) differ.
- Call us if you have questions.

How to resolve a problem email (2 of 3)

- Reply to the problem email you received.
  - Do not send a direct email, reply off what you received.
  - Attach all requested document revisions.
  - In the body of the email include any information or verifications that may have been requested.

- If you have been asked to pay a Rule exception fee, you will need to also tell us the exception resolution.
  - We won’t select this for you.
  - Failure to tell us the resolution will further delay processing.

How to resolve a problem email (3 of 3)

- Ensure all attachments are provided
- Attachments will meet file size and format requirements
  - No larger than 4.0 MB (keep it below 4)
  - PDFs for P-16, P-12, Plat
  - CSV for Service Lists
- Be mindful of the filename
  - Special characters will prevent upload
  - Filename should be letters and numbers only to avoid issues

Problem Resolution Process (1 of 4)

- Responses do not go directly to the analyst who sent the problem.
  - They go to a general inbox that we forward out of.

- Responses are manually forwarded THREE times a day
  - Start of day
  - Just before lunch
  - End of day

Problem Resolution Process (2 of 4)

- Depending on when your response came into the inbox, it will be forwarded out in the next forward batch.
  - If a response is in the inbox before 8a, it will be forward in the start of day batch.
  - If a response in in the inbox at 2p, it will be forwarded in the end of day batch.

Problem Resolution Process (3 of 4)

- Analysts will work problems in order of receipt, once they are received in their personal inbox.

- Depending on the volume of problems, they will be managed and balanced with the W-1s that are not yet reviewed.
  - We constantly manage a cycle of problems and unreviewed W-1s.
  - A problem should be resolved within 48 business hours of receipt.

Problem Resolution Process (4 of 4)

- A vast majority of the problems that we send are clerical errors.
- These can be avoided by checking your work before you submit the W-1 application.
- At least 75% of the problems we send are clerical errors that can be avoided ahead of time.

Addendum #3:

Best Practice tips

Best practices (1 of 9)

- Review your W-1 BEFORE submitting the application.
  - We have seen an increase in the number of dp-info emails requesting corrections.
  - This is due to the W-1s being reviewed by the filer.
  - However, these reviews are being done after submission.
  - If the filer's review is done BEFORE submission, time will be saved on both ends.

Best practices (2 of 9)

- Assess the well count accurately.
- Ensure all wells within the same field and acreage are included in the well count and listed on the P-16 (if applicable).
- If the well count has changed, add a comment.
  - Expired permits or completions in another field

Best practices (3 of 9)

- For Allocation and PSA wells ensure that the lease lines border are accurate.
- The plat is required to show a bolded or dark hash marked line.
  - Surrounding ONLY the developmental tracts listed in Section V of the P-16; or
  - Each individual tract is outlined individually
- Although a best practice, this is a requirement also.

Best practices (4 of 9)

- If the wellbore is oriented to the lease line at an angle:
  - Ensure that a perpendicular spacing call is shown on the plat.
  - Tied 90 degrees to the well. Intersects lease line at an angle.
  - The purpose is to show compliance to the perpendicular spacing rules (if dual lease line spacing exists).
  - This will be an additional call, separate from the lease line calls.
  - A problem will be sent if not shown on the plat.

Best practices (5 of 9)

- Submit your W-1 application in advance.
- Drilling Permit staff reviews ALL W-1s from ALL Districts on order of submission.
- The type of application does not change this.

Best practices (6 of 9)

- Once you have the information necessary to submit the W-1, it should be submitted.
- Waiting until the last minute to file the application will create a situation in you may not meet the spud date.
- “Push-Through” requests are for on site emergencies, not late filing.

Best practices (7 of 9)

- Your submission timing should also consider:
  - Local permits that might be needed.
  - Injection permits that might be needed.
  - Statewide Rule 13 exceptions that might be needed.
  - SWR 37 and/or 38 notifications that might be needed.

- Notifications and exceptions cannot be rushed.
  - Please plan for this

The District Office handles and reviews the Rule 13 exceptions.
A Rule 13 application can ONLY be submitted AFTER the W-1 is reviewed.

Failure to submit the W-1 in a timely manner will impact the District staff as well.

Be mindful as to whether or not you need a Rule 13 exception from the District Office.

Best practices (8 of 9)

- A W-1 that does not require Rule exceptions:
  - It’s best to submit at least two weeks prior to spud
- A W-1 requiring a Rule exception (37/38) for which own offset, or waivers are used and/or a Rule 13 is needed:
  - Submit approx. 3 weeks prior to spud for a proper review
- If a 21-day notification is needed for a Rule 37 or 38 exception:
  - Submit at least 6 weeks prior to spud to allow for the 21-day notification and prior review

Best practices (9 of 9)

Following the preceding best practice tips can greatly increase the efficiency of your review.

Remember: *You* are your best defense in preventing problems with your application. Please be diligent and REVIEW *before* submitting.

Addendum #4:

Contacts

CONTACT INFORMATION

Drilling Permit Main Phone Line	512-463-6751
General Questions (and corrections not related to a problem email)	drillingpermits-info@rrc.texas.gov
Publisher's Affidavits and Tear Sheets	SWR37@rrc.texas.gov
General Hearing Requests and Complaints (NOT resulting from a protest problem email)	OGHearingRequest@rrc.texas.gov
Protest Hearing Request (resulting from a protest problem email)	SWR37@rrc.texas.gov (or reply to the problem email)
Problem Responses	Reply to the problem email that was received
Manager: David King	David.King@rrc.texas.gov

Information about Drilling Permit email addresses:

General questions:

- Use: drillingpermits-info@rrc.texas.gov

If you have identified any mistakes or typos **and a problem has not been sent for it**:

- Use: drillingpermits-info@rrc.texas.gov

Submitting Publisher's Affidavits and Tear Sheets:

- Use: SWR37@rrc.texas.gov
  - When sending the affidavits:
    - Please send ONE email per status number
    - List the status number in the subject line (if you don't, you may receive a problem)
- If you have received a problem letter requesting the affidavits, then reply to the problem, do not send to the SWR37 address.

Hearing Requests and Complaints that are not the result of a problem email:

- Use: OGHearingRequest@rrc.Texas.gov
    - This is a new email group that has been set up
    - O&G staff will route the request to the relevant business group, and staff from that group will enter the request into the CASES system

Protest hearing requests (resulting from a protest problem email:

- You may reply to the problem email that was received
- If your legal counsel is sending in the response it should go to: SWR37@rrc.Texas.gov
    - Please ensure that you are providing a letter that names your legal counsel who will represent you at the hearing and also formally requests the hearing.

For any response to a problem:

- Simply reply to the email you received.
    - We have seen some cases where a new email has been drafted and sent to the problems address.
        - If the status number is not included with your custom email, it will delay the processing of the W-1.
    - Replying to the email you received will ensure that all information is visible so that your problem response can be forwarded to the analyst working it.
- Problems are forwarded out twice a day (just before lunch and at the end of the day).
    - Please allow time for the analyst to review your response and work the resolution on the W-1.
        - Problem responses do not immediately go to the analyst and require time for review.
        - They are worked in the order of receipt by the analyst and are balanced with W-1s that have yet to be reviewed.