

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER**REFERENCE: Statewide Rules 5, 36, 37, 38, 39, 40 and 86**

A. COMPLIANCE. In order to file a Form W-1 (*APPLICATION FOR PERMIT TO DRILL, RECOMPLETE OR RE-ENTER*) you must have a current Form P-5 (*Organization Report*) and financial assurance on file with the Railroad Commission of Texas (RRC) and be in compliance with all RRC rules and orders. **DO NOT BEGIN DRILLING OPERATIONS UNTIL YOU HAVE RECEIVED AUTHORIZATION FROM THE RRC.** Operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit of the RRC, or its predecessor or successor agencies. If you wish to deviate from the recommendation given by the Groundwater Advisory Unit you must apply for a Statewide Rule (SWR) 3.13 surface casing exception from the RRC District Office that oversees your area.

B. WHERE AND WHAT TO FILE. File with the RRC in Austin the original Form W-1 application package, which consists of the completed Form W-1, fee payment, plat, completed Forms W-1D, Supplemental Directional Well Information or W-1H, Supplemental Horizontal Well Information as necessary, and other documents as required by Statewide or Field Rules. For fees, make check or money order payable to Railroad Commission of Texas. For information on use of credit cards visit the RRC website at www.rrc.texas.gov. The SWR 37/38 exception fee covers one or more exceptions on the same application; if other than a "new drill," provide the original exception case or docket number. Fees are non-refundable or transferrable. The RRC may waive fees if an amended application is filed at the request of RRC. Before you may file computer-generated paper Forms W-1, the RRC must approve the template. You may also electronically file drilling permit applications. For current fees and surcharges visit the RRC website at <http://www.rrc.texas.gov/oil-gas/applications-and-permits/fees-surcharges>

C. Filling out the Form W-1

In the box at the top left-hand corner of the Form W-1, enter, if assigned or as applicable, the API number, permit number (if purpose of filing is for an amendment to an already approved permit), If the API number is not known, in "Operator Remarks" area, provide the original operator, lease, and well identification and date of original completion or plugging.

Items 1-3 should be filled out exactly as it has been filed with the Form P-5.

The LEASE NAME (Item 4.) if it has already been established, should reflect exactly how it is carried on the proration schedule. If this is the first well on a lease the way the name is formatted will be how each subsequent well on the lease should be filed.

WELL NUMBER (Item 5.) must be formatted as follows: You are allowed six spaces, the first space can be either Alpha or Numeric, second, third and fourth spaces are Numeric only and the fifth and six spaces are Alpha only. If there is a dash anywhere in the numeric spaces, the well number will be changed to "0".

GENERAL INFORMATION**PURPOSE OF FILING (Item 6.):**

New drill is for a brand new well location.

Recompletion is working over an existing wellbore to complete in a different field/reservoir. Provide the projected—not measured—true vertical depth. For a plug-back recompletion, give the depth of the plug setting.

Re-entry is going back into a wellbore that has been plugged to the surface.

Reclassification is changing an existing well originally permitted only as injection/disposal or other service well to an oil or gas producing well or changing an existing well in the Panhandle East or West fields from oil to gas or gas to oil production.

Field Transfer is required when you wish to move an already completed well from one regulatory field to another regulatory field when no work is being done to the existing well. Provide a copy of the Field Transfer approval letter with the application.

Amended should be chosen if you are attempting to change something on a previously approved permit that has not been closed out with a completion report or expired. Operator name, lease name, well number and acreage can be changed at the time of completion.

Amended as-drilled should be chosen if the original permit was filed as a vertical well and due to drilling complications the wellbore was un-intentionally deviated. You must also submit a Form W-1D to reflect the as-drilled bottom hole location (BHL).

An amended permit requires a new Form W-1 and applicable fees as well as all supporting documentation. Include the original drilling permit number when filing an application for an amended permit.

WELLBORE PROFILE (Item 7.) Choose all profiles that apply for your application. Remember if more than one profile is chosen then a plat must be supplied that supports each wellbore profile. Check "sidetrack" only for New Drills, Recompletions or Re-entries, if applicable. File **FORM W-1D**, if the proposed well configuration will be directional with one or more bottom hole locations. File **FORM W-1H**, if the proposed well configuration will be horizontal with one or more terminus locations.

REQUIRED ANSWERS IF DIRECTIONAL OR HORIZONTAL PROFILE IS CHOSEN (Item 8.)

8a. Check appropriate box that describes the location of your surface hole.

8b. If you have chosen a horizontal profile check the appropriate box that describes the location of your penetration point into the permitted formation.

8c. If your answer to 8b is yes choose all the appropriate boxes to describe how you are complying to the requirements concerning off-lease penetration points.

SPECIALIZED HORIZONTAL WELLBORE COMPLETION PERMITS (Item 9.) If you are attempting to apply for a PSA, Allocation or Stacked lateral check all boxes that apply. If the application you are filing is for a stacked lateral well please indicate the permit number of the "record" or "parent" well otherwise leave selections blank.

TRUE VERTICAL DEPTH (Item 10.) Provide the total vertical depth you wish to apply for not the proposed measured depth of the well. If for a recompletion, provide the projected--(not measured)--true vertical depth. If this is a plug-back recompletion, give the depth of the plug setting.

RIGHT TO DEVELOP (Item 11.) Indicate if you have the rights to develop under any right of way that may be located within your lease/unit boundary.

SURFACE LOCATION AND ACREAGE INFORMATION

RRC DISTRICT NO. (Item 12.) Provide the district number associated to the County the surface of the well is located in.

COUNTY (Item 13.) Provide the County Name for where the surface location of the well is being located.

SURFACE LOCATION (Item 14.) Check the appropriate box that best describes the location of the surface hole. **GEOGRAPHIC LOCATION OF YOUR WELL (Item 15.)** Provide a distance and bearing from the nearest town in the county the well will be located. You must also provide geographic coordinates for the surface location of your well, no matter the purpose of filing. Choose the appropriate Datum and either provide X/Y(Northing/Easting) or Lat/Long coordinates.

LEGAL LOCATION INFORMATION (Items 16.-18. AND 22.) Provide all pertinent legal location information for the tract of land the surface hole will be located.

ABSTRACT NUMBER (Item 19.) If available, provide the abstract number associated to the survey the well is located.

NEAREST LEASE LINE (Item 20.) Provide the distance to the nearest lease line. For pooled units, if there is an unleased/non-pooled interest in a tract of the pooled unit that is nearer than the pooled unit line, give the distance to the nearest point on that unleased/non-pooled tract boundary.

Vertical wellbore profile that distance is from the surface location of the well.

Directional wellbore profile that distance is from the bottom hole location of the well.

Horizontal wellbore profile that distance is the nearest point to the lease line from the portion of the well between the first take point through to the last take point.

TOTAL NUMBER OF ACRES (Item 21.) Provide the total acreage in the lease, pooled unit or unitized tract you are filing on. Multiple tracts may be pooled together to meet minimum drilling unit acreage requirements. Complete and attach Form P-12, *Certificate of Pooling Authority* and ensure your plat supports the P-12 and the tract identifiers listed.

LEASE PERPENDICULAR CALLS (Item 23.) Provide 2 non-parallel lease line calls.

SURVEY PERPENDICULAR CALLS (Item 24.) Provide 2 non-parallel survey/section line calls. A county line should not be used to derive a call from unless that county line is actually a boundary to the survey/section.

POOLED UNIT (Item 25.) Is the acreage in Item 21 associated to a pooled unit? If yes you must submit a signed Form P-12.

UNITIZATION (Item 26.) Is the acreage in Item 21 formed by Unitization hearing? If so, provide the Docket number for that hearing.

SUBSTANDARD ACREAGE (Item 27.) If you are applying for a well on substandard acreage and are trying to get a permit approval without having to get a SWR 38 exception, attach a completed and signed Form W-1A, *Substandard Acreage Certification*.

FIELD INFORMATION

RRC DISTRICT NO. (Item 28.) Include the district number of the field you wish to complete in. This number may be different from the district number in Item 12.

FIELD NO. (Item 29.) Add the field number associated with the field you are applying for. Note that a field may be associated to different districts which will have a different field number. Ensure the correct field number is provided. If you need more room use the Form W-1 *Field Information Addendum Page*.

FIELD NAME (Item 30.) Provide the field name exactly as it is shown on the RRC proration schedule.

WELL TYPE (Item 31.) Use the following codes for Well Type: O = oil; G = gas; B = oil and gas; I = injection/disposal; R = storage; S = service; V = water supply; C = cathodic protection; T = exploratory test (core, stratigraphic, seismic, sulfur, uranium).

COMPLETION DEPTH (Item 32.) Enter the approximate completion depth at which you may complete in each field listed. This depth must be less than or equal to the Total Vertical Depth In Item 10.

DISTANCE TO NEAREST WELL IN RESERVOIR (Item 33.) Required only for wells identified as oil or gas in Item 31 and includes distance to any applied for, permitted location or completed well in the regulatory field being applied for.

NUMBER OF WELLS ON LEASE IN THIS RESERVOIR (Item 34.) Provide the total combined number of oil and gas wells only (include all applied for, permitted locations, and completed wells). Do NOT include injection, disposal or other types of service wells.

REQUESTS FOR EXCEPTIONS AND REQUIREMENTS OPERATOR MUST COMPLY WITH

REQUIREMENTS THAT OPERATOR MUST COMPLY WITH IF APPLICABLE TO THE INTENDED OPERATION BEING APPLIED FOR.

REQUESTS FOR SWR EXCEPTIONS (Item 35.) The proposed location must be "regular" in terms of the RRC's spacing (Rule 37 or field rules), density (Rule 38 or field rules), and Assignment of Acreage (Rule 40) requirements for each listed field; otherwise, an exception to those requirements must be sought. Answer all questions that apply to this application. With your application remember to include waivers, a service list or supporting information for a request of unaffected status. See below for explanation of regular location and location requiring an exception. Any request for Publication must be accompanied by a Due Diligence letter explaining why you need to publish the notice instead of relying on direct notification. The Service List is still required.

REGULAR locations are in accordance with either (1) statewide spacing minimums – 467' from the nearest lease line and 1,200' from the nearest well (applied for, permitted or completed) on the same lease in the same reservoir; statewide density minimums – 40 acres; (2) spacing and density minimums, (which may vary according to depth) for County Regular Fields (Districts 7B, 9, and McCulloch County), where there are no field rules and the proposed depth is 5,000' or shallower; or (3) spacing and density standards set out in special rules for the field, and no multiple assignment of acreage is proposed. Field and County Regular rules are available on the Internet at www.rrc.texas.gov.

EXCEPTIONS to minimum standard spacing, density requirements, and to double assign proration acreage may be requested. The SWR 37/38 exception application requires a certified plat with the names of the affected offsets clearly labeled and a list of the names and addresses of the affected parties. The SWR 40 exception application requirements are found in SWR 40 (e). To view SWR 37, 38, and 40 visit the Texas Secretary of State website at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=16&pt=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=16&pt=1). For any exception that is required, provide the necessary method of resolution and any associated documents to process the exception-

NOTE: If you penetrate a SWR Rule 37 or SWR38 field/reservoir not listed on the application, you will not necessarily be allowed to use the existence of this wellbore as justification for an exception to complete this wellbore in such field/reservoir in the future.

ACREAGE – OTHER

If pooled or unitized through a hearing and the Docket number is noted in Item 25 of Form W-1, no Form P-12 is needed.

Substandard Acreage: Complete and submit a Form W-1A, *Substandard Acreage Drilling Unit Certification*, with the first and only well on a substandard tract or lease, and when using surplus acreage as a substandard pooled unit.

Contiguous Acres: SWR 39 requires that all acres being assigned to the well from the lease or pooled unit be contiguous. If a SWR 39 exception has already been granted for the subject lease or unit, provide the docket number and issuance date in the box in the upper left-hand corner of the Form W-1.

PLAT. All drilling permit applications must be accompanied by a legible, accurate plat, at a scale of 1" = 1,000' or 1"=2000' and showing at least the lease or pooled unit line nearest the proposed location outlined on the plat using either a heavy line or crosshatching AND the nearest section/survey lines. The plat for the initial well on a lease or pooled unit must be of the entire lease or unit (including all tracts being pooled). The plat for subsequent wells on the pooled unit for which a Form P-12 is required must show the entire pooled unit. If necessary, submit the large area plat at a scale of 1" = 2,000' showing the entire lease.

For **all plats** the following must be included: the geographic location information, including the Latitude/Longitude or X/Y coordinates in the NAD 27, NAD 83, or WGS 84 coordinate system of the surface location, a labeled scale bar and northerly direction arrow.

For **vertical wells**, the plat shall include the following:

(A) the surface location of the proposed drilling site;

(B) perpendicular lines providing the distance in feet from the two nearest non-parallel survey/section lines to the surface location;

(C) perpendicular lines providing the distance in feet from the two nearest non-parallel lease lines to the surface location;

(D) a line providing the distance in feet from the surface location to the nearest point on the lease line, pooled unit line, or unitized tract line. If there is an unleased interest in a tract of the pooled unit that is nearer than the pooled unit line, the nearest point on that unleased tract boundary shall be used. If well is directional the distance is taken from the bottomhole;

(E) a line providing the distance in feet from the surface location to the nearest oil, gas, or oil and gas well identified by number either applied for, permitted, or completed in the same lease, pooled unit, or unitized tract and in the same field and reservoir. If well is directional the distance is taken from the bottomhole.

For horizontal wells, the plat shall include the following:

(A) the surface location of the proposed drilling site, penetration point, first take point, last take point, and terminus location;

(B) perpendicular lines providing the distance in feet from the two nearest non-parallel survey/section lines to the surface location;

(C) perpendicular lines providing the distance in feet from the two nearest non-parallel lease lines to the surface location; if location is off-lease, then provide the distance in feet from the two nearest non-parallel survey/section lines to the surface location;

(D) a line providing the distance in feet from the horizontal wellbore between and including the penetration point and the terminus location to the nearest point on the lease line, pooled unit line, or unitized tract line. If there is an unleased interest in a tract of the pooled unit that is nearer than the pooled unit line, the nearest point on that unleased tract boundary shall be indicated. A line providing the distance in feet from the horizontal wellbore between and including the first take point and the last take point to the nearest point on the lease line shall be indicated. If there are multiple leases, pooled units and/or unitized tracts closer to the horizontal course(s) of the drainhole(s) than allowed by the applicable spacing rule, then the operator shall provide the distance in feet from the closest take point to each such tract;

(E) a line providing the distance in feet from the wellbore from the penetration point through the terminus location to the nearest oil, gas, or oil and gas well identified by number either applied for, permitted, or completed in the same lease, pooled unit, or unitized tract and in the same field and reservoir. A line providing the distance in feet from the wellbore between and including the first take point and the last take point to the nearest oil, gas, or oil and gas well identified by number either applied for, permitted, or completed in the same lease, pooled unit, or unitized tract and in the same field and reservoir;

Plats filed for Pooled Units, SWR 37, SWR38, or SWR 40 exceptions must also be certified by the surveyor or someone with the company who has knowledge of information being presented. If plat is filed in support of an exception you must clearly have offsets keyed to the offset listing.