

API No. <u>42-283-36487</u> Drilling Permit # <u>844616</u> SWR Exception Case/Docket No. _____	RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>	FORM W-1 07/2004 Permit Status: Approved				
1. RRC Operator No. <u>253385</u>	2. Operator's Name (as shown on form P-5, Organization Report) EP ENERGY E&P COMPANY, L.P.	3. Operator Address (include street, city, state, zip): ATTN CHELSEA CANTRELLE PO BOX 4660 HOUSTON, TX 77210-4660				
4. Lease Name MELLENBRUCH ALLOCATION B	5. Well No. <u>102H</u>					
GENERAL INFORMATION						
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)						
7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack						
8. Total Depth <u>10300</u>	9. Do you have the right to develop the minerals under any right-of-way ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
SURFACE LOCATION AND ACREAGE INFORMATION						
11. RRC District No. <u>01</u>	12. County LA SALLE	13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore				
14. This well is to be located <u>16.1</u> miles in a <u>SE</u> direction from <u>Cotulla</u> which is the nearest town in the county of the well site.						
15. Section <u>143</u>	16. Block	17. Survey H&GN RR CO				
18. Abstract No. <u>A-269</u>	19. Distance to nearest lease line: <u>175</u> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>940.94</u>				
21. Lease Perpendiculars: <u>382</u> ft from the <u>SOUTH</u> line and <u>1467</u> ft from the <u>WEST</u> line.		22. Survey Perpendiculars: <u>382</u> ft from the <u>SOUTH</u> line and <u>1467</u> ft from the <u>WEST</u> line.				
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No:				
25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No						
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
<u>01</u>	<u>27135700</u>	<u>EAGLEVILLE (EAGLE FORD-1)</u>	<u>Oil or Gas Well</u>	<u>10300</u>	<u>1387.00</u>	<u>5</u>
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)						
Remarks See W1 Comments attached				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <u>Ann Ritchie</u> Name of filer </div> <div style="text-align: center;"> <u>Sep 13, 2018</u> Date submitted </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;"> <u>(432)6846381</u> Phone </div> <div style="text-align: center;"> <u>ann.wtor@gmail.com</u> E-mail Address (OPTIONAL) </div> </div>		
RRC Use Only Data Validation Time Stamp: <u>Sep 20, 2018 9:57 AM ('As Approved' Version)</u>						

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Form W-1H 07/2004
Supplemental Horizontal Well Information

Permit Status: **Approved**
The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

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Permit # **844616**
Approved Date: **Sep 20, 2018**

1. RRC Operator No. 253385	2. Operator's Name (exactly as shown on form P-5, Organization Report) EP ENERGY E&P COMPANY, L.P.	3. Lease Name MELLENBRUCH ALLOCATION B	4. Well No. 102H
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **EAGLEVILLE (EAGLE FORD-1) (Field # 27135700, RRC District 01)**

6. Section 143	7. Block	8. Survey H&GN RR CO	9. Abstract 269	10. County of BHL LA SALLE
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11. Terminus Lease Line Perpendiculars 50 ft. from the North line. and 380 ft. from the East line
12. Terminus Survey Line Perpendiculars 2558 ft. from the South line. and 2264 ft. from the West line
13. Penetration Point Lease Line Perpendiculars 50 ft. from the South line. and 2235 ft. from the West line

Permit Status: **Approved**

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**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

W-1 Comments

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

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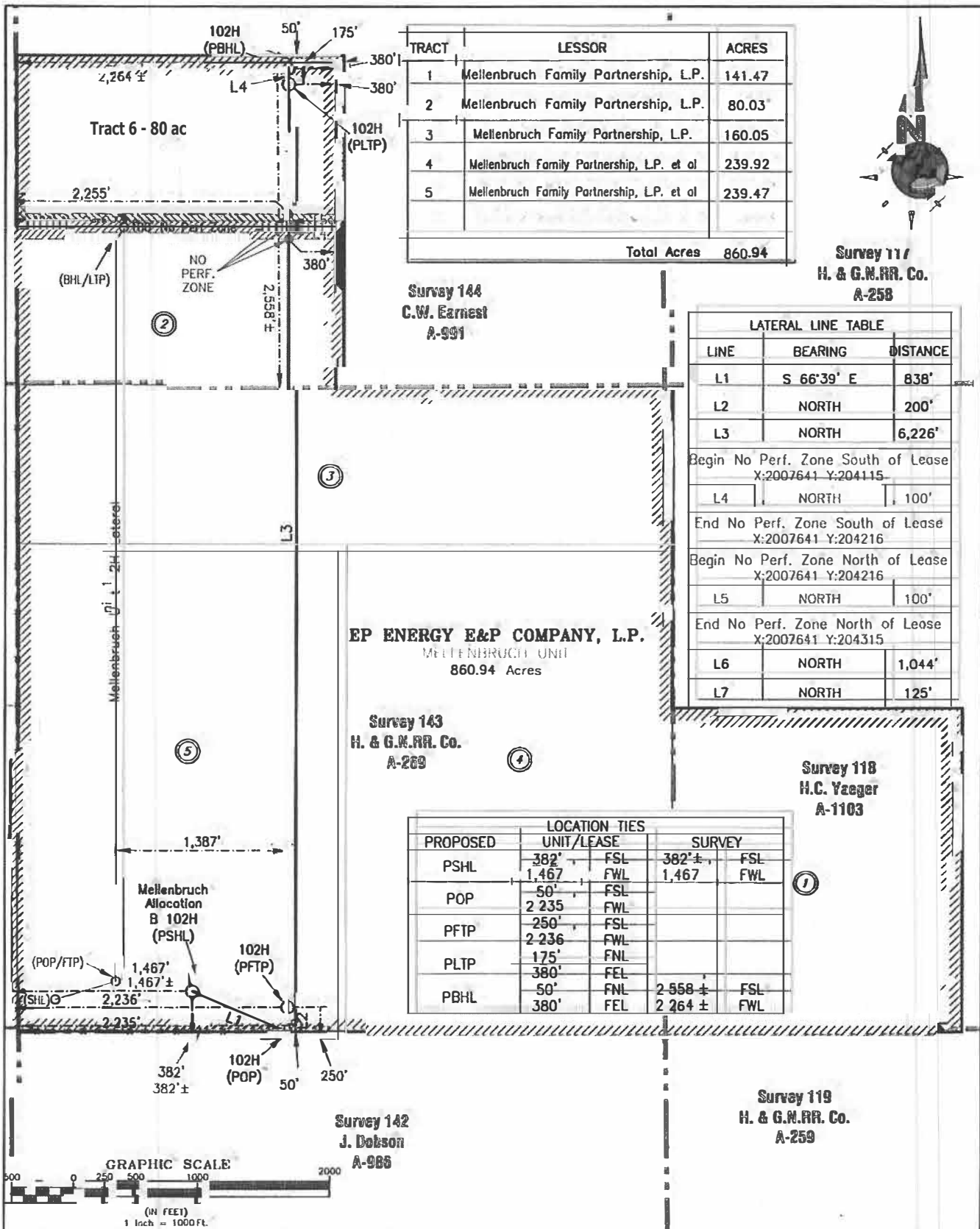
Permit # **844616**

Approved Date: **Sep 20, 2018**

[Sep 13, 2018 1:13 PM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.; [FILER Sep 13, 2018 1:19 PM]: No perf zones as per plat: 100' FSL Tract 6 and 100' FNL Tract 2, see lateral table on plat. MD 16,300'. H9 on file with district office for lease 18655.; [RRC STAFF Sep 13, 2018 2:40 PM]: BHL east survey line call distance corrected per plat.; [RRC STAFF Sep 13, 2018 2:49 PM]: Distance to Nearest Lease Line corrected per plat.; [RRC STAFF Sep 13, 2018 2:50 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 18, 2018 2:59 PM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 18, 2018 2:59 PM]: Revised plat and P-12 submitted by Ann Ritchie.; [RRC STAFF Sep 18, 2018 3:00 PM]: Per Ann Ritchie - EP did not need to add further no perf zones, please see the final certified plat attached. They have leased all of the entities in Tract 3, so no notice is required now. I have attached revised P12 for the Mellenbruch Unit/all entities leased. please delete certified list for Rule 37 notice, EP is only Rule 37 and waives.; [RRC STAFF Sep 18, 2018 3:45 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 19, 2018 12:54 PM]: The NPZ's are 100 feet in height. This is noted in the hashmarked area to the right of the bottom NPZ.; [RRC STAFF Sep 20, 2018 9:41 AM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 20, 2018 9:41 AM]: Ann Ritchie provided a revised P-12. Tract #3 is shown as fully leased.; [RRC STAFF Sep 20, 2018 9:42 AM]: Both Rule 37's have been removed from this application (interior and regular). All acreage in the pooled unit is fully leased, therefore, no interior exception. There is a double sided NPZ at the boundary of the two allocation tracts which eliminates the exterior exception.



TRACT	LESSOR	ACRES
1	Mellenbruch Family Partnership, L.P.	141.47
2	Mellenbruch Family Partnership, L.P.	80.03
3	Mellenbruch Family Partnership, L.P.	160.05
4	Mellenbruch Family Partnership, L.P. et al	239.92
5	Mellenbruch Family Partnership, L.P. et al	239.47
Total Acres		860.94

Survey 144
C.W. Earnest
A-991

Survey 117
H. & G.N.R.R. Co.
A-258

LINE	BEARING	DISTANCE
L1	S 66°39' E	838'
L2	NORTH	200'
L3	NORTH	6,226'
Begin No Perf. Zone South of Lease X:2007641 Y:204115		
L4	NORTH	100'
End No Perf. Zone South of Lease X:2007641 Y:204216		
Begin No Perf. Zone North of Lease X:2007641 Y:204216		
L5	NORTH	100'
End No Perf. Zone North of Lease X:2007641 Y:204315		
L6	NORTH	1,044'
L7	NORTH	125'

EP ENERGY E&P COMPANY, L.P.
MELLENBRUCH UNIT
860.94 Acres

Survey 143
H. & G.N.R.R. Co.
A-269

Survey 118
H.C. Yeager
A-1103

PROPOSED	UNIT/LEASE	SURVEY
PSHL	382' FSL	382'± FSL
	1,467' FWL	1,467' FWL
POP	50' FSL	
	2,235' FWL	
PFTP	250' FSL	
PLTP	2,236' FWL	
	175' FNL	
PBHL	380' FEL	
	50' FNL	2,558'± FSL
	380' FEL	2,264'± FWL



GEOGRAPHIC NAD-27 COORDINATES:
LATITUDE: 28°22'41" LONGITUDE: 98°58'43"

Mellenbruch Allocation B 102H Proposed Location

STATE PLANE COORDINATES - TEXAS SOUTH CENTRAL ZONE - NAD 1927:

(PSHL)	Sur. 143 Abst. 269	Northing/Y: 198021	Easting/X: 2006872
Ground Elevation: 426.7'			
Surface Location Bears: S 76°00' E - 16.1 Miles from Cotulla, Texas			
(POP)	Sur. 143 Abst. 269	Northing/Y: 197689	Easting/X: 2007641
(PFTP)	Sur. 143 Abst. 269	Northing/Y: 197889	Easting/X: 2007641
(PLTP)	Sur. 144 Abst. 991	Northing/Y: 205360	Easting/X: 2007640
(PBHL)	Sur. 144 Abst. 991	Northing/Y: 205485	Easting/X: 2007640

WARNING: THIS PLAT MAY NOT SHOW ALL PIPELINE CROSSINGS OR UTILITIES. JJ RUIZ LAND SURVEYING ASSUMES NO RESPONSIBILITY TO LOCATE PIPELINE CROSSINGS OR UTILITIES. PLEASE USE THE TEXAS ONE CALL SYSTEM BEFORE EXCAVATING ON ANY PROPERTY. NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE / MINERAL FEE OWNERSHIP OF LESSOR.

EP ENERGY

EP ENERGY E&P COMPANY, L.P.
Mellenbruch Allocation B
940.94 Acres

Survey 143, H. & G.N.R.R. Co., Abstract 269
LaSalle County, Texas

I, THE UNDERSIGNED, a Registered Professional Land Surveyor in the State of Texas, Do Hereby State that this Plot represents a **PROPOSED LOCATION** surveyed and staked on the ground under my supervision and prepared from deeds and other available information. It is not intended to be a boundary survey, but for the sole purpose of filing with the Texas Railroad Commission for a drilling permit. This plot is for the exclusive use of **EP ENERGY E&P COMPANY, L.P.**

Julian Javier Ruiz
Julian Javier Ruiz, A.L.S. No. 530
CURRENT DATE: 09-14-18

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O.C.: J.J.R.
JOB No.: 1809B
DATE: 09-14-18
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PG.: 000