## **Railroad Commission of Texas**

#### PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

#### CONDITIONS AND INSTRUCTIONS

**Permit Invalidation.** It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

**Notice Requirements. Per H.B 630, signed May 8, 2007,** the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

**Permit expiration.** This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

**Drilling Permit Number.** The drilling permit number shown on the permit MUST be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

**Rule 37 Exception Permits.** This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

#### **Before Drilling**

**Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection, Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

**Accessing the Well Site.** If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

**Water Transport to Well Site.** If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

## \*NOTIFICATION

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

### **During Drilling**

**Permit at Drilling Site.** A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

\*Notification of Setting Casing. The operator MUST call in notification to the appropriate district office (phone number shown the on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the drilling permit number.

\*Notification of Re-completion/Re-entry. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

## **Completion and Plugging Reports**

**Hydraulic Fracture Stimulation using Diesel Fuel:** Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground Injection" to *EXCLUDE* " ...the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

**Producing Well.** Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within ninety (90) days after completion of the well or within one hundred and fifty (150) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s or P-16s (if required) or a lease plat and P-16 must be submitted with no double assignment of acreage unless authorized by rule.

**Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

**Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

\*Notification of Plugging a Dry Hole. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Groundwater Advisory Unit letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE (512) 463-6751

MAIL: PO Box 12967 Austin, Texas, 78711-2967

# RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 855953	DATE PERMIT ISSUED OR AMENDED Aug 07, 2019	DISTRIC	г * 0	3		
API NUMBER	FORM W-1 RECEIVED	COUNTY				
42-321-32429	Aug 06, 2019		MATAG	ORDA		
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES				
NEW DRILL	Vertical		138	.19		
OPERATOR 453170		0	NOTICE This permit and any allowable assigned may be			
KEBO OIL & GAS, INC.			f payment for fe	ee(s) submitted to		
701 WILDCAT DRIVE			Commission is not honored.  District Office Telephone No:			
PORTLAND, TX 78374-00	00		(713) 869	=		
LEASE NAME		WELL NU	JMBER			
GOLF	COURSE		1			
LOCATION	ection from BAY CITY	TOTAL D	EPTH	10200		
	CHOILIOIL DAT CITT			10200		
Section, Block and/or Survey SECTION	BLOCK <b>⊀</b> ABS'	<sub>TRACT</sub> <b>∢</b> 5				
SURVEY <b>《</b> BERTRAND, P	BLOCK ABS	IRACI 🗨 🔾				
DISTANCE TO SURVEY LINES		DISTANC	E TO NEADE	CT I EACE I INI		
14451 ft. E 2155 ft. S		DISTANC	DISTANCE TO NEAREST LEASE LINE 563 ft.			
DISTANCE TO LEASE LINES 1115 ft. E 563 ft. S		DISTANC	DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS:			·			
* S	EE FIELD DISTRICT FOR REPORTII	NG PURPOS	ES *			
FIELD NAME LEASE NAME		ACRES NEAREST L	DEPTH EASE	WELL # NEAREST WE	DIST	
WILDCAT		138.19	10,200	 1	03	
GOLF COURSE		563		0		
HAMMAN (9500 FRIO)		138.19	10,200	1	03	
GOLF COURSE		563		0		
HAMMAN (9150)		138.19	10,200	1	03	
GOLF COURSE		563		0		
 HAMMAN (9420)		138.19	10,200	 1	03	
GOLF COURSE		563		0		
HUEBNER (10,180 FRIO)		138.19	10,200	1	03	

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PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 855953	DATE PERMIT ISSUED OR AMENDED Aug 07, 2019	DISTRIC	т * 0	3		
API NUMBER 42-321-32429	FORM W-1 RECEIVED Aug 06, 2019	COUNTY	COUNTY  MATAGORDA			
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES	WIXTIAG	ONDA		
NEW DRILL	Vertical	ACKES	138.19			
OPERATOR	45247	<b>'</b> 0	NOTI	CE		
KEBO OIL & GAS, INC. 701 WILDCAT DRIVE PORTLAND, TX 78374-0000			This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.  District Office Telephone No:			
·			(713) 869	9-5001		
LEASE NAME GOLF	COURSE	WELL N	WELL NUMBER  1			
LOCATION 3.93 miles SW dire	ection from BAY CITY	TOTAL D	TOTAL DEPTH 10200			
Section, Block and/or Survey						
section <b>∢</b> 3 survey <b>∢</b> BERTRAND, P	BLOCK <b>◄</b> ABS	tract <b>∢</b> 5				
DISTANCE TO SURVEY LINES  14451 ft. E 2155 ft. S			DISTANCE TO NEAREST LEASE LINE 563 ft.			
DISTANCE TO LEASE LINES  1115 ft. E 563 ft. S			DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS:  * §	EEE FIELD DISTRICT FOR REPORTII	NG PURPOS	ES *			
FIELD NAME LEASE NAME		ACRES NEAREST L	DEPTH EASE	WELL # NEAREST WE	DIST	
GOLF COURSE		563		0		
LUCKY, SOUTH (FRIO 9200) GOLF COURSE		138.19 563	10,200	1 0	03	
HAMMAN ( 9,900 FRIO) GOLF COURSE		138.19 563	10,200	1 0	03	
HUEBNER ( 9,960 FRIO) GOLF COURSE		138.19 563	10,200	1 0	03	
THE F	OLLOWING RESTRICTIONS APPLY 1	TO ALL FIELI	OS			

## RAILROAD COMMISSION OF TEXAS

**OIL & GAS DIVISION** 

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 855953	DATE PERMIT ISSUED OR AMENDED Aug 07, 2019	DISTRICT * 03		
API NUMBER 42-321-32429	FORM W-1 RECEIVED Aug 06, 2019	COUNTY MATAGORDA		
TYPE OF OPERATION  NEW DRILL	WELLBORE PROFILE(S)  Vertical	ACRES 138.19		
OPERATOR  KEBO OIL & GAS, INC.  701 WILDCAT DRIVE PORTLAND, TX 78374-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.  District Office Telephone No:  (713) 869-5001		
LEASE NAME GOLF	WELL NUMBER 1			
LOCATION 3.93 miles SW dire	TOTAL DEPTH 10200			
Section, Block and/or Survey  SECTION				
DISTANCE TO SURVEY LINES 14451 ft. E	DISTANCE TO NEAREST LEASE LINE 563 ft.			
DISTANCE TO LEASE LINES 1115 ft.	DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below			
FIELD(s) and LIMITATIONS:				

WELL# FIELD NAME ACRES DEPTH DIST LEASE NAME NEAREST LEASE NEAREST WE

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

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.

<sup>\*</sup> SEE FIELD DISTRICT FOR REPORTING PURPOSES \*

# RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

## **SWR #13 Formation Data**

## MATAGORDA (321) County

Formation	Shallow	Deep	Remarks	Geological	Effective
	Top	Top		Order	Date
CAPROCK	2,100	2,100	disposal	1	12/17/2013
GRANT	1,750	1,750	disposal	2	12/17/2013
WILLIS	1,850	1,850	disposal	3	12/17/2013
MIOCENE	1,530	6,430	disposal	4	12/17/2013
FRIO	1,510	5,900	disposal	5	12/17/2013
FRIO, LOWER	7,000	8,120		6	12/17/2013
GRETTA	5,200	5,350	disposal	7	12/17/2013
ANAHUAC	5,640	7,160		8	12/17/2013
NODOSARIA	8,960	8,960		9	12/17/2013
TEX MISS	9,940	9,940		10	12/17/2013
TEX MISS 3 SAND	10,420	10,420		11	12/17/2013
VICKSBURG	12,450	12,450		12	12/17/2013
JACKSON	14,330	14,330		13	12/17/2013
SPARTA	15,770	15,770		14	12/17/2013
WILCOX	16,610	23,000		15	12/17/2013

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. Formation "TOP" information listed reflects an estimated range based on geologic variances across the county. To clarify, the "Deep Top" is not the bottom of the formation; it is the deepest depth at which the "TOP" of the formation has been or might be encountered. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information. http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info