



APPLICATION FOR OIL AND GAS PERMIT

(Pursuant to Midland City Ordinance No. 8769)

I. General Information		
Date 12/1/2020	Operator Name (must match W-1) DIAMONDBACK E&P LLC	Operator Address 500 W. TEXAS AVE., STE 1200 MIDLAND, TX 79701
Representative Name PAULA BRUNSON Sr. Staff Regulatory Specialist	Representative Address (within Midland City Limits) 500 W. Texas Ave., Ste 1200 Midland, TX 79701	Rep. Tele. 432-221-7442 Rep. Fax
Fee: \$4,000.00 Rec'd Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	NOTE: All attachments need to be bound and put in a binder before submitting.	Pages 1-4
Permit Compliance Contact (Choose 1): Option A: Joel Martin, Production Manager 24/7 Answering Services - No. 1 (Tele.): 432-699-9332 No. 2 (Tele.): 432-238-9969 Option B: Joel Martin 500 W. Texas Ave., Ste 1200 432-238-9969 Midland, TX 79701 Company Compliance Representative (Name, Address, Local Telephone) (ATTACH STATEMENT AS EXHIBIT A):		
Emergency Contact Representative (Name, Address, 24-Hour Tele. No.): (Same as above)		
Other Permitted Wells in City (ATTACH EXHIBIT B [see § J(26)]).		
II. Mineral Ownership		
Name(s) and Address(es) of Mineral Estate Lessors (under applicable lease):		
1. See attached.		
2.		
3.		
ATTACHED AS EXHIBIT C is a Take-off from Grant Yancey, a Certified Petroleum Landman, indicating that Diamondback E&P LLC has a legal right to develop the mineral estate that is the subject of this Application. [See J(5)].		
III. Surface Ownership & Use		
General Description of Current Surface Use (within 860 feet of proposed surface location):		
Pasture and residential		
ATTACHED AS EXHIBIT D is a Current Tax Roll from Midland Central Appraisal District which lists the names and addresses of all surface owners within 860 feet of the surface well location. [See J(7)].		

ATTACHED AS EXHIBIT E is a (map/p lat/satellite aerial photo) depicting all Residences, commercial structures, public buildings, all publicly dedicated Streets and alleys, Rights of Way, and permanent accessory structures surrounding the proposed Drill Site. The (map/p lat/satellite aerial photo) includes two circles, as required by the Ordinance—one depicting a 500 foot radius and one depicting an 860 foot radius from the proposed well's surface location. [See § J(10)].

ATTACHED AS EXHIBIT F is a copy of the notification letter(s) sent to 100 percent of the surface owners, Certified Mail, Return Receipt Requested. [See § J(36)].

IV. Well & Operations Information

Proposed Well Name: GRIDIRON N005LS

Proposed Hole Size, Casing Program and Cementing Program (attach Exhibit as Necessary)[See § J(11) and § L(4)]:
See Exhibit W.

Legal Description of Proposed Well Site:

SHL: 1684' FWL & 1345' FSL, T&P RR Co Svy, Blk 40, T-1-S, Sec 24, A-1392

BHL: 2376' FEL & 1150' FSL, T&P RR Co Svy, Blk 40, T-1-S, Sec. 36, A-828

ATTACHED AS EXHIBIT G is the Location Site Plan [See § J(9)].

ATTACHED AS EXHIBIT H is the Map with the proposed transportation route(s) and road(s) for equipment, chemicals, or refuse products used or produced in the proposed oil and gas operations. [See § J(12)].

ATTACHED AS EXHIBIT I is a copy of the approved Texas Railroad Commission permit to drill (Form W-1), together with all attachments (also file copy of W-1 with City Secretary before commencement of drilling operations). [See § J(16) and (20)].

ATTACHED AS EXHIBIT J is a copy of the required TCEQ report as to depth of usable quality ground water. [See § J(17)].

ATTACHED AS EXHIBIT K (if applicable) is the list of alternative locations developed in consultation with the Oil & Gas Advisory Committee. [See § J(27)].

ATTACHED AS EXHIBIT L is the Fencing and Irrigation Plan. [See § J(30)].

ATTACHED AS EXHIBIT M is the Road Repair Agreement and Letter of Credit Certificate of Deposit Surety Bond in the amount of at least \$25,000. Option (if applicable): Applicant would further state that no City-owned streets or alleys will be used by the Operator in connection with its oil and gas operations and as a result, requests a waiver from the Council of this requirement. Option B (if applicable): Because Applicant has three Road Repair Agreements in effect that have been approved by the Council, Applicant requests that the Council consolidate all agreements into one and is filing the necessary \$75,000 letter of credit/certificate of deposit/surety bond in conjunction with this request. [See § J(31)].

ATTACHED AS EXHIBIT N is the Concept Plan depicting the proposed Operations Site (which includes tanks, roads, power lines, and pipeline routes). [See § J(32)].

Description of Public Utilities required during (1) drilling and (2) operations:

(1) Drilling: None

(2) Operations: Oncor is the electricity transmission provider. The actual electricity provider will be a function of the best available rates and reliability of the provider.

Description of water source to be used during Drilling:

Existing water wells location in Section 24, Blk 40, T-1-S, T&P RR Co Svy will be used. Other nearby wells will be used if needed. Trucking will also be used if needed.

Description of all electric lines to production facilities (reference exhibits as necessary) [See § L(10)]:

All electric lines will be overhead for the immediate future.

Plan detailing construction, location, and closure of pits used for Drilling and Completion operations (attach exhibit if necessary) [See § J(35)]:

See Exhibit O.

V. Additional Required Exhibits

ATTACHED AS EXHIBIT P is the *Letter of Credit/Certificate of Deposit* in accordance with Subsection (K)(2). [See § J(18)].

ATTACHED AS EXHIBIT Q are Tax certificates from Midland Central Appraisal District to be submitted indicating that all taxes on personal and real property, including minerals, owned by Applicant are current. [See § J(29)].

ATTACHED AS EXHIBIT R is the required Insurance Certification. [See § J(19) and § K(3)].

ATTACHED AS EXHIBIT S (if applicable) is the Drainage Plan approved by the City Engineer relating to Applicant's proposed operations. [See § J(21)].

ATTACHED AS EXHIBIT T is Applicant's Emergency Action Response Plan. [See § J(22)].

ATTACHED AS EXHIBIT U is Applicant's Hazardous Materials Management Plan, a copy of which has been submitted and is on file with the Midland Fire Department. [See § J(23)].

ATTACHED AS EXHIBIT V is Applicant's request for a variance to the hours of fracing operations.

DIAMONDBACK E&P LLC

[NAME OF COMPANY]

By PAULA BRUNSON

Paula Brunson

Its Regulatory Advisor

State of TEXAS)

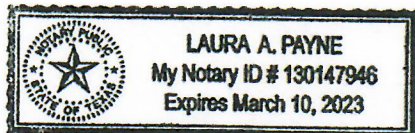
County of MIDLAND)

PAULA BRUNSON, Regulatory Advisor, personally appeared before me, and being first duly sworn, declared he/she signed the application in the capacity designated, if any, and further states that he/she has read the above application and attached exhibits and the statements therein are true and correct to the best of their knowledge.

Laura A. Payne

Notary Public, State of TEXAS

[Seal]



**Attachment to
APPLICATION FOR OIL AND GAS PERMIT
Gridiron North Wells**

II. Mineral Ownership

Names and Addresses of Mineral Estate Lessors (under applicable lease):

Chris Scharbauer P.O. Box 50118 Amarillo, TX 79159	Chris Scharbauer 2010 Family Trust P.O. Box 2111 Midland, TX 79702
Douglas Scharbauer, LTD. P.O. Box 2111 Midland, TX 79702	Clarence Scharbauer III 2010 Family Trust P.O. Box 2111 Midland, TX 79702
Clarence Scharbauer III 1811 Heritage Blvd., Ste. 200 Midland, TX 79707	Douglas Scharbauer 2010 Family Trust P.O. Box 2111 Midland, TX 79702
Scharbauer Minerals, LP P.O. Box 1471 Midland, TX 79702	