

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 043 23647

Approval Date: 08/07/2018
Expiration Date: 02/07/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 17N Rge: 14W County: DEWEY
SPOT LOCATION: SE SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 229 266

Lease Name: ROBERTS Well No: 1-18H Well will be 229 feet from nearest unit or lease boundary.
Operator Name: COUNCIL OAK RESOURCES LLC Telephone: 9185130925 OTC/OCC Number: 23853 0

COUNCIL OAK RESOURCES LLC
6120 S YALE AVE STE 1200
TULSA, OK 74136-4241

CHARLES E. ROBERTS
ROUTE 2, BOX 55
OAKWOOD OK 73658

Formation(s) (Permit Valid for Listed Formations Only):

| | Name | Depth | Name | Depth |
|---|---------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 10604 | 6 | |
| 2 | WOODFORD | 11233 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201804559
201804142

Special Orders:

Total Depth: 16200 Ground Elevation: 1764 **Surface Casing: 1000** Depth to base of Treatable Water-Bearing FM: 270

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 65000 Average: 6500

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34761
H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 18 Twp 17N Rge 13W County BLAINE

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 400

Depth of Deviation: 10382

Radius of Turn: 573

Direction: 15

Total Length: 4917

Measured Total Depth: 16200

True Vertical Depth: 11233

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

7/31/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

7/31/2018 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

INTERMEDIATE CASING

7/31/2018 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

MEMO

7/31/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

| Category | Description |
|------------------------|--|
| PENDING CD - 201804142 | 8/7/2018 - G57 - (640)(HOR) 18-17N-13W VAC 101867 MSSLM VAC 194861/225244 CSTR EXT 663728 MSSP, WDFD, OTHER POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL REC 6-19-2018 (JOHNSON) |
| PENDING CD - 201804559 | 8/7/2018 - G57 - (I.O.) 18-17N-13W X201804142 MSSP, WDFD COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FWL COUNCIL OAK RESOURCES, LLC. REC 7-24-2018 (JOHNSON) |

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

COR Well Location Plat

COUNCIL OAK RESOURCES

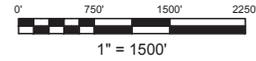
S.H.L. Sec. 13-17N-14W I.M.
B.H.L. Sec. 18-17N-13W I.M.

Operator: COUNCIL OAK RESOURCES, LLC
Lease Name and No.: ROBERTS 1-18H
Footage: 229' FSL - 266' FEL Gr. Elevation: 1764'
Section: 13 Township: 17N Range: 14W I.M.
County: Dewey State of Oklahoma
Terrain at Loc.: Location fell in a wide open wheat field,
with an existing drain through the North end of the pad.

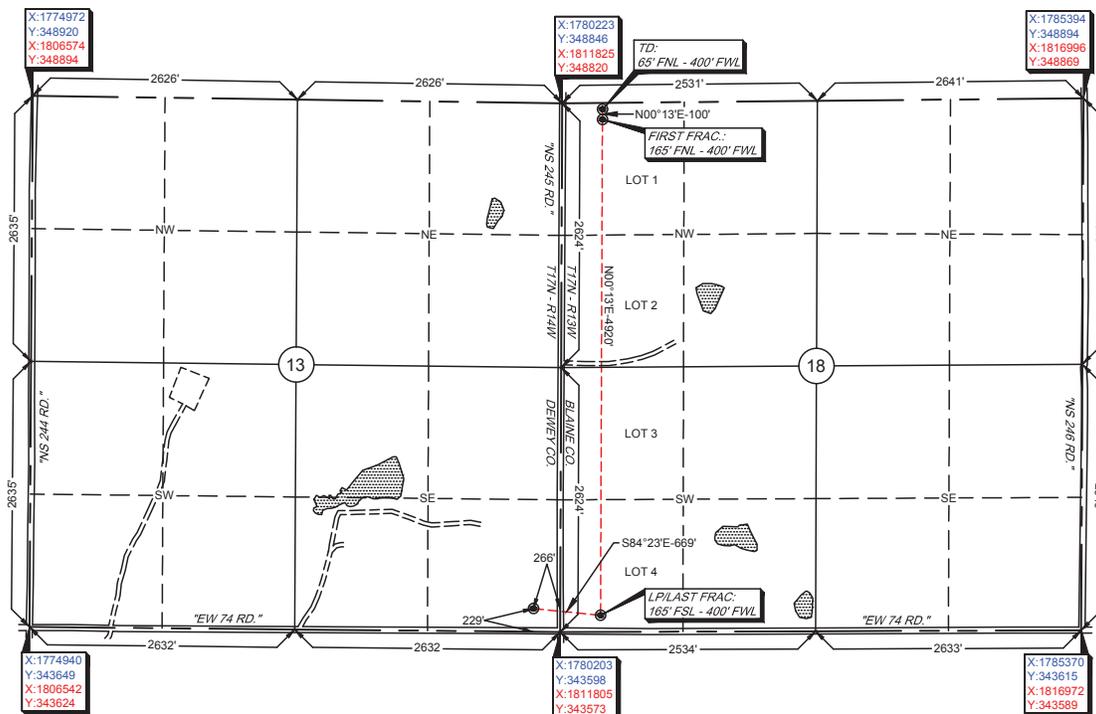
API:043 23647



All bearings shown
are grid bearings.



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE



| | | | |
|---|--|--|--|
| Surface Hole Loc.: Lat: 35°56'34.24"N Lon: 98°38'13.25"W X: 1779938 Y: 343830 | LP/Last Frac: Lat: 35°56'33.64"N Lon: 98°38'05.15"W X: 1780604 Y: 343764 | First Frac: Lat: 35°57'22.29"N Lon: 98°38'05.32"W X: 1780622 Y: 348685 | TD: Lat: 35°57'23.28"N Lon: 98°38'05.32"W X: 1780622 Y: 348785 |
| Surface Hole Loc.: Lat: 35°56'34.09"N Lon: 98°38'11.95"W X: 1811540 Y: 343805 | LP/Last Frac: Lat: 35°56'33.48"N Lon: 98°38'03.85"W X: 1812206 Y: 343739 | First Frac: Lat: 35°57'22.14"N Lon: 98°38'04.01"W X: 1812225 Y: 348659 | TD: Lat: 35°57'23.13"N Lon: 98°38'04.02"W X: 1812225 Y: 348759 |

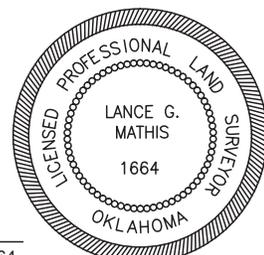
-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.
-Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2020

Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.


LANCE G. MATHIS 07/24/18
OK LPLS 1664



Invoice #7829-A
Date Staked: 07/23/18 By: R.L.
Date Drawn: 07/23/18 By: C.K.