

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

API NUMBER: 029 21373

Approval Date: 05/17/2018

Expiration Date: 11/17/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 06 Twp: 2N Rge: 9E County: COAL

SPOT LOCATION: ☐ NW ☐ SW ☐ NW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1747 264

Lease Name: KANE Well No: 1-6/7H Well will be 264 feet from nearest unit or lease boundary.

Operator Name: CANYON CREEK ENERGY OPERATING LLC

Telephone: 9185616737

OTC/OCC Number: 23443 0

CANYON CREEK ENERGY OPERATING LLC  
2431 E 61ST ST STE 400  
TULSA, OK 74136-1237

GLEN R. SMITH & JEWELL HOKETT SMITH  
1011 ELM ST.  
SULPHUR OK 73086

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

Name	Depth	Name	Depth
1 WOODFORD	6630	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 581684  
566330

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13700

Ground Elevation: 713

**Surface Casing: 1000**

Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: AIR

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: 4

Liner not required for Category: 4

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

F. Haul to Commercial soil farming facility: Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 551649

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: WATER BASED

Chlorides Max: 8000 Average: 5000

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

#### PIT 3 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 ALLUVIAL

Pit Location Formation: ALLUVIUM

#### HORIZONTAL HOLE 1

Sec 07 Twp 2N Rge 9E County COAL

Spot Location of End Point: S2 S2 SW SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 6000

Radius of Turn: 827

Direction: 178

Total Length: 6400

Measured Total Depth: 13700

True Vertical Depth: 6630

End Point Location from Lease,

Unit, or Property Line: 1

#### Notes:

##### Category

##### Description

COMPLETION INTERVAL

5/9/2018 - G60 - WILL BE LEGAL FOR THE WOODFORD, NCT 165' FNL/FSL, NCT 330' FEL/FWL  
PER OPERATOR

DEEP SURFACE CASING

4/23/2018 - 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

This permit does not address the right of entry or settlement of surface damages.

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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.

029 21373 KANE 1-6/7H

Category	Description
HYDRAULIC FRACTURING	<p>4/23/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; AND,</p> <p>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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
MEMO	<p>4/23/2018 - G71 - PITS 2 &amp; 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
SPACING - 566330	<p>5/4/2018 - G60 - (640)(HOR) W2 6 &amp; W2 7-2N-9E EXT 561427 WDFD, OTHERS POE TO BHL NLT 660' FB</p>
SPACING - 581684	<p>5/8/2018 - G60 - (640)(HOR) W2 6 &amp; W2 7-2N-9E EXT 579223 WDFD, OTHERS COMPL. INT. NLT 165' FNL/FSL, NLT 330' FEL/FWL</p>
WATERSHED STRUCTURE	<p>4/23/2018 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 927-3414 PRIOR TO DRILLING</p>

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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.



# Well Location Plat

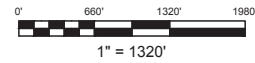
S.H.L. Sec. 6-2N-9E I.M.  
B.H.L. Sec. 7-2N-9E I.M.

Operator: CANYON CREEK ENERGY  
Lease Name and No.: KANE 1-6-7H  
Footage: 1747' FSL - 264' FWL Gr. Elevation: 713'  
Section: 6 Township: 2N Range: 9E I.M.  
County: Coal State of Oklahoma  
Terrain at Loc.: Location fell in a pasture.

3502921373



All bearings shown  
are grid bearings.



GPS DATUM  
NAD 83  
NAD 27

OK SOUTH ZONE

Surface Hole Loc.:  
Lat: 34°40'13.21"  
Lon: 96°24'20.22"  
X: 2447877  
Y: 490351

Surface Hole Loc.:  
Lat: 34°40'12.89"N  
Lon: 96°24'19.20"W  
X: 2479473  
Y: 490305

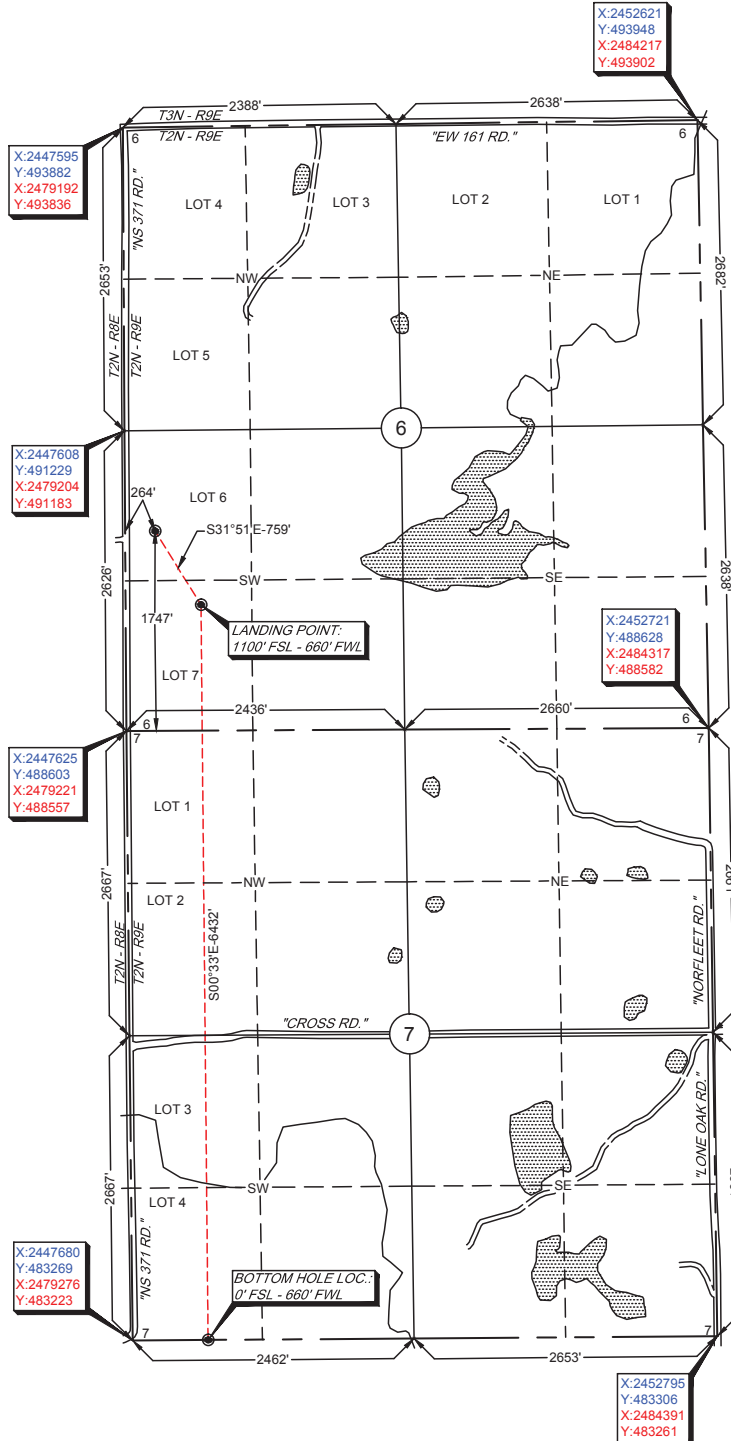
Landing Point:  
Lat: 34°40'06.77"  
Lon: 96°24'15.55"  
X: 2448278  
Y: 489706

Landing Point:  
Lat: 34°40'06.45"N  
Lon: 96°24'14.53"W  
X: 2479874  
Y: 489660

Bottom Hole Loc.:  
Lat: 34°39'03.15"  
Lon: 96°24'16.02"  
X: 2448340  
Y: 483274

Bottom Hole Loc.:  
Lat: 34°39'02.82"N  
Lon: 96°24'15.01"W  
X: 2479936  
Y: 483228

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, PLLC for more information. This plat is for informational purposes only and does not constitute a true boundary survey. The X and Y data shown herein 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 Quarter Section distances from adjoining section corners, or occupation thereof, and may not be based on the ground and therefore, 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, 2018

Invoice #7805-B  
Date Staked: 04/26/18 By: D.A.  
Date Drawn: 04/30/18 By: J.K.  
Rev. Lease Name: 05/17/18 By: R.S.

## 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

05/17/18

OK LPLS 1664

