

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

API NUMBER: 105 41251

Approval Date: 03/01/2018

Expiration Date: 09/01/2018

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 26N Rge: 14E

County: NOWATA

SPOT LOCATION: ☐ NW ☐ SE ☐ SE ☐ NE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 560 2210

Lease Name: GARRETT

Well No: CW-3

Well will be 430 feet from nearest unit or lease boundary.

Operator Name: CEWELL ENERGY LLC

Telephone: 6618897998

OTC/OCC Number: 23913 0

CEWELL ENERGY LLC  
1102 N LENAPAH AVE  
SKIATOOK, OK 74070-4018

CANDY CREEK RANCH  
RT. 1, BOX 306  
NOWATA OK 74048

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

Name	Depth	Name	Depth
1 BARTLESVILLE	1170	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1250

Ground Elevation: 0

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 40

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: AIR

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

H. CBL REQUIRED

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: COFFEYVILLE/CHECKERB

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

Notes:

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
ALTERNATE CASING	3/1/2018 - G71 - APPROVED; COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4) (C)
HYDRAULIC FRACTURING	3/1/2018 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a> ; 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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a>
SPACING	3/1/2018 - G75 - FORMATION UNSPACED; 470-ACRE LEASE INCLUDING NE4