

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

API NUMBER: 093 25138

Approval Date: 05/10/2018

Expiration Date: 11/10/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 22N Rge: 12W

County: MAJOR

SPOT LOCATION:

N2

N2

NW

NW

FEET FROM QUARTER: FROM

NORTH

FROM

WEST

SECTION LINES:

320

660

Lease Name: MATHIS

Well No: 1-29H

Well will be 320 feet from nearest unit or lease boundary.

Operator Name: FAIRWAY RESOURCES OPERATING III LLC

Telephone: 8176010628

OTC/OCC Number: 23943 0

FAIRWAY RESOURCES OPERATING III LLC  
538 SILICON DR STE 101  
SOUTHLAKE, TX 76092-7517

ERLAND W. & SUSAN MARTENS  
102 CARDINAL TERRACE  
FAIRVIEW OK 73737

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

| Name            | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 7300  | 6    |       |
| 2               |       | 7    |       |
| 3               |       | 8    |       |
| 4               |       | 9    |       |
| 5               |       | 10   |       |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201801432  
201801473

Special Orders:

Total Depth: 12000

Ground Elevation: 1273

Surface Casing: 900

Depth to base of Treatable Water-Bearing FM: 490

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 55000 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-34419

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 29 Twp 22N Rge 12W County MAJOR

Spot Location of End Point: N2 N2 NW NW

Feet From: NORTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 6472

Radius of Turn: 382

Direction: 360

Total Length: 4972

Measured Total Depth: 12000

True Vertical Depth: 7300

End Point Location from Lease,  
Unit, or Property Line: 150

### Notes:

#### Category

#### Description

#### DEEP SURFACE CASING

5/4/2018 - 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

5/4/2018 - 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](http://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](http://FRACFOCUS.ORG)

#### MEMO

5/4/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

#### PENDING CD - 201801432

5/8/2018 - G57 - (640)(HOR) 29-22N-12W  
VAC 111186 OSGMLM & MRM C W2/NE4 & NW4 & S2  
VAC 181117 CSTR, MNNG  
VAC 616745 MSSP SE4  
EST MSSP  
POE TO BHL NCT 660' FB  
(COEXIST WITH SP. 111186 MRM C E2 NE4)  
REC 5-9-2018 (P.PORTER)

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

093 25138 MATHIS 1-29H

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.

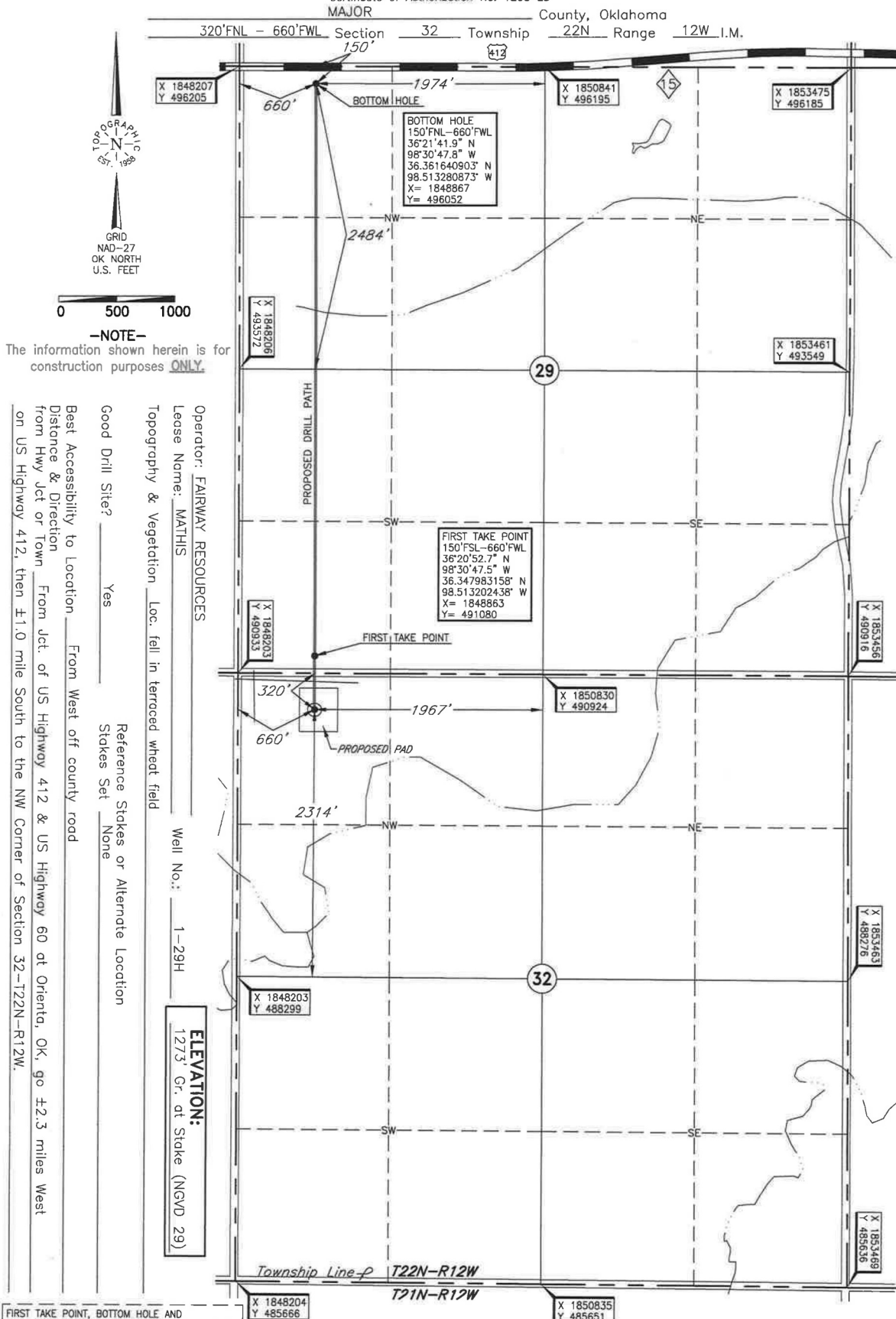
Category

PENDING CD - 201801473

Description

5/10/2018 - G57 - (I.O.) 29-22N-12W  
X201801432 MSSP  
COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 330' FWL  
NO OP. NAMED  
REC 5-9-2018 (P.PORTER)

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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.



FIRST TAKE POINT, BOTTOM HOLE AND  
DRILL PATH INFORMATION PROVIDED BY OPERATOR  
LISTED, NOT SURVEYED.

DATUM: NAD-27  
LAT: 36°20'48.1" N  
LONG: 98°30'47.5" W  
LAT: 36.346692273" N  
LONG: 98.513194509" W  
STATE PLANE  
COORDINATES: (US Feet)  
ZONE: OK NORTH  
X: 1848863  
Y: 490611

Invoice # 292942 Date of Drawing: April 26, 2018  
Date Staked: April 25, 2018 JP

CERTIFICATE:

I, Thomas L. Howell, an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell  
Oklahoma Lic. No. 1433

