

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

API NUMBER: 045 23727

Approval Date: 02/01/2018

Expiration Date: 08/01/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 19N Rge: 26W County: ELLIS
SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 330 1765

Lease Name: EAGLE EYE 3 CN Well No: 1HM Well will be 330 feet from nearest unit or lease boundary.
Operator Name: MEWBOURNE OIL COMPANY Telephone: 9035612900 OTC/OCC Number: 6722 0

MEWBOURNE OIL COMPANY
PO BOX 7698
TYLER, TX 75711-7698

RANDY W. KNOWLES
178416 E. COUNTY RD. 62
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 MARMATON	8730	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 585313

Location Exception Orders: 662175

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13227

Ground Elevation: 2483

Surface Casing: 1999

Depth to base of Treatable Water-Bearing FM: 700

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: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: WATER BASED

Chlorides Max: 25000 Average: 7500

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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

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 BED AQUIFER

Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 03 Twp 19N Rge 26W County ELLIS

Spot Location of End Point: C S2 S2 SW

Feet From: SOUTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 7692

Radius of Turn: 575

Direction: 190

Total Length: 4632

Measured Total Depth: 13227

True Vertical Depth: 8799

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

1/29/2018 - 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

1/29/2018 - 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

LOCATION EXCEPTION - 662175

1/31/2018 - G58 - (I.O.) 3-19N-26W
X585313 MRMN
COMPL. INT. NCT 330' FNL, NCT 330' FSL, NCT 1100' FWL
MEWBOURNE OIL COMPANY
3/24/2017

MEMO

1/29/2018 - G71 - PIT 1 - MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER, PIT 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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

045 23727 EAGLE EYE 3 CN 1HM

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
SPACING - 585313	1/31/2018 - G58 - (640)(HOR) 3-19N-26W EST MRMN, OTHERS COMPL. INT. NLT 660' FB (SUPERSEDE NON-PRODUCING, NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING, NON-HORIZONTAL SPACING UNITS)

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.

MEWBOURNE OIL COMPANY

ONE LEADERSHIP SQUARE
211 NORTH ROBINSON, SUITE 2000
OKLAHOMA CITY, OK 73102

TELEPHONE (405) 235-6374

FACSIMILE (405) 232-8006

January 23, 2018

Oklahoma Corporation Commission
Oil and Gas Division
Jim Thorpe Office Building
Oklahoma City, Oklahoma 73105-4993

Re: Surface Casing Waiver Request
Eagle Eye 3 NC #1HM
Section 3-19N-26W
Ellis County, Oklahoma

Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby requests an exception to Section 165:10-3-4(c) (5) [Rule 3-206] of the codified general rules of the Oklahoma Corporation Commission, so that 1,999 feet of surface casing may be set in order to prevent sloughing, aid in pressure control, and reduce chloride concentration. The surface casing will be cemented to the surface.

It will take approximately 20 hours to drill the additional amount of hole necessary to set 1,999 feet of surface casing. The lead slurry has a weight of 12.8 ppg and the tail slurry has a weight of 14.8 ppg. Mewbourne will also have lost circulation material on site and available if any problems occur. A Mewbourne representative will notify the local District office if lost circulation occurs. Mewbourne is not aware of any lost circulation in the subject section or eight surrounding sections.

If you have any questions or comments, please advise.

Sincerely,

MEWBOURNE OIL COMPANY



Nick Stowers
Petroleum Engineer

MEWBOURNE OIL CO
Eagle Eye 3 NC #1HM

Section 3-19N-26W
Ellis County, Oklahoma
January 23, 2018

Surface Cementing Well Proposal

Prepared for:
Mewbourne Oil
9-5/8" Surface Casing @ 1999 ft.

Prepared by:
Nick Stowers
Engineer

Operator Name: MEWBOURNE OIL CO
Well Name: Eagle Eye 3 NC #1HM
Job Description: 9-5/8" Surface Casing @ 1999 ft.
Date: January 23, 2018

WELL DATA

ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
12.250 HOLE	1,999	1,999

SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
9.625	8.921	36	1,999	1,999

Float Collar set @ 1,960 ft
 Mud Density 8.80 ppg
 Mud Type Water Based
 Est. Static Temp. 102 ° F
 Est. Circ. Temp. 89 ° F

VOLUME CALCULATIONS

1,678 ft x 0.3132 cf/ft with 200 % excess = 1577.0 cf
 322 ft x 0.3132 cf/ft with 150 % excess = 251.7 cf
 40 ft x 0.4341 cf/ft with 0 % excess = 17.4 cf (inside pipe)
TOTAL SLURRY VOLUME = 1846.1 cf
 = 329 bbls

Operator Name: MEWBOURNE OIL CO
Well Name: Eagle Eye 3 NC #1HM
Job Description: 9-5/8" Surface Casing @ 1999 ft.
Date: January 23, 2018

FLUID SPECIFICATIONS

Spacer 20.0 bbls Water @ 8.34 ppg

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Lead Slurry	1577	/ 1.96	= 805 sacks (15:85) Poz (Fly Ash):Class C Cement + 0.01% bwoc Static Free + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite II + 98% Fresh Water
Tail Slurry	269	/ 1.35	= 200 sacks Class C Cement + 0.01% bwoc Static Free + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water
Displacement			151.5 bbls Displacement @ 8.34 ppg

CEMENT PROPERTIES

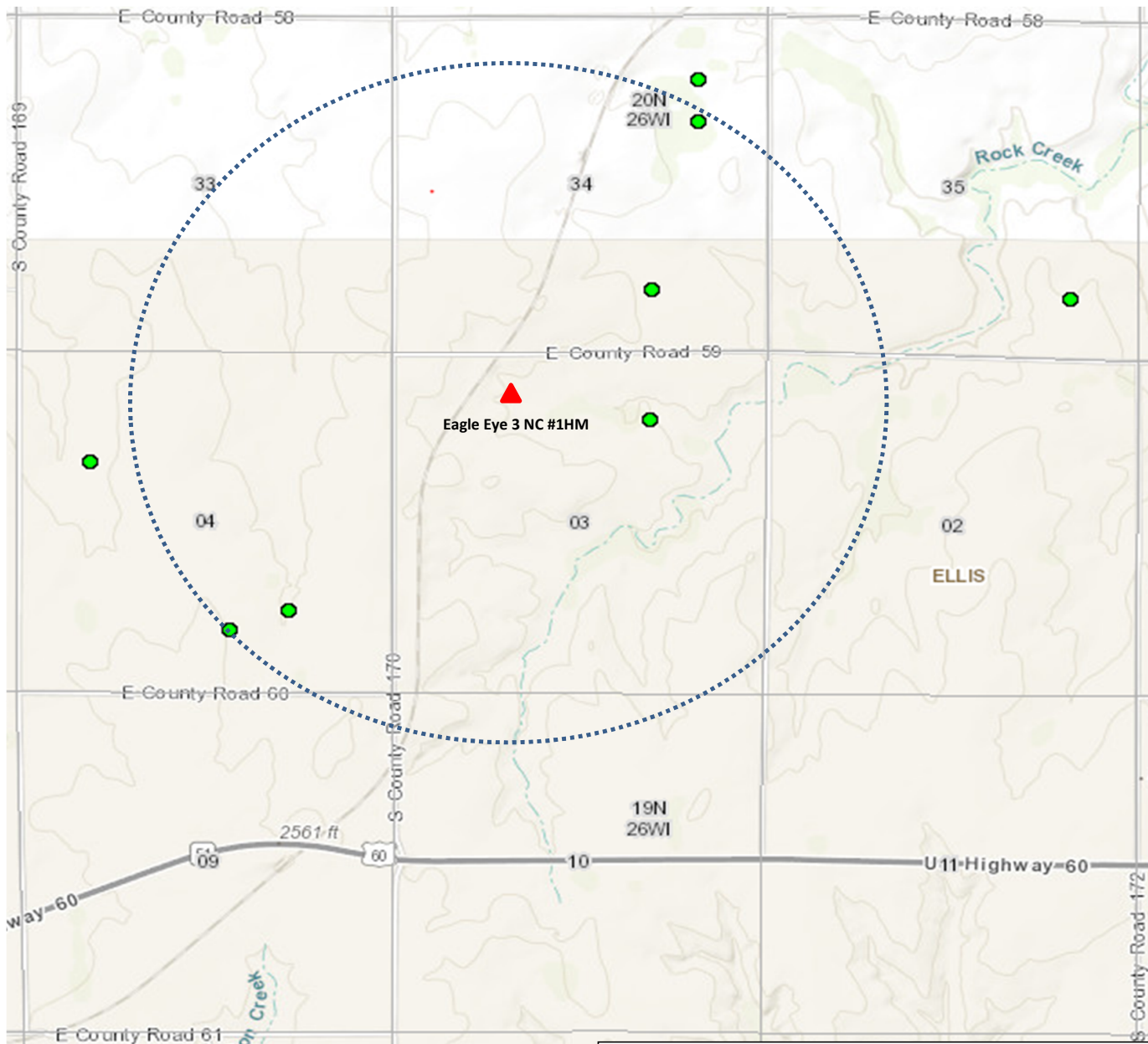
	<u>SLURRY NO.1</u>	<u>SLURRY NO.2</u>
Slurry Weight (ppg)	12.80	14.80
Slurry Yield (cf/sack)	1.96	1.35
Amount of Mix Water (gps)	10.69	6.35
Estimated Pumping Time - 70 BC (HH:MM)	4:05	2:20
COMPRESSIVE STRENGTH		
12 hrs @ 80 ° F (psi)		
24 hrs @ 80 ° F (psi)	200	1000
	350	2000

Fluid Requirements:

Customer to provide tanks/transport with fresh water.

Exact loadings are to be determined from testing with rig water.

Additive concentrations may vary based on Pre-Job testing and mix water quality.



Water Wells within 1 mile of Eagle Eye 3 NC #1HM S.L.
 Water Wells indicated by green dot
 Eagle Eye 3 NC #1HM Surf. Loc. indicated by red triangle



Mewbourne Oil Company

Offset Waterwell Data
 Eagle Eye 3 NC #1HM
 330' FNL & 1,765' FWL
 Section 3-19N-26W
 Ellis County, Oklahoma

DATE: 1/23/2018

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS

ELLIS

County, Oklahoma

330' FNL - 1765' FWL Section 3 Township 19N Range 26W I.M.

X 1418249
Y 427689

Township Line - P T20N-R26W

T19N-R26W

X 1423559
Y 427644

LOT 4

LOT 2

LOT 1

LOT 3

LP @ 330' FNL & 1,765' FWL
9,104' MD & 8,746' TVD

[2305']

S/2-NW/4

S/2-NE/4

X 1418190
Y 425040

3

BHL @ 330' FSL & 1,320' FWL
13,781' MD & 8,799' TVDX 1418132
Y 422397X 1420768
Y 422342X 1423404
Y 422286

Plan Plat

NOTE:
The information shown herein is for
construction purposes ONLY.GRID
NAD-27
OK NORTH
US Feet
0' 500' 1000'

Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have NOT been measured on the ground.

Operator: MEWBORNE OIL COMPANY

Lease Name: EAGLE EYE 3

Well No.: CN#1HM

ELEVATION:

2483' Gr. at Level Pad

Topography & Vegetation Location fell on level pad, $\pm 162'$ southwest of existing well head

Good Drill Site? Yes

Reference Stakes or Alternate Location
Stakes Set None

Best Accessibility to Location From county road North of well location.

Distance & Direction

from Hwy Jct or Town From the Jct. of U.S. Hwy. 60 E-W & U.S. Hwy. 283, go ± 5 miles west, then go north ± 1.5 miles to the Northwest Corner of Section 3, T19N-R26W.Revision ☒ A

Date of Drawing: Jan. 24, 2018

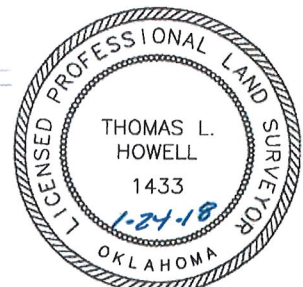
Invoice # 287299

Date Staked: Jan. 24, 2018

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

Oklahoma Lic. No. 1433



This information was gathered with a GPS receiver with ± 1 foot Horiz./Vert. accuracy

DATUM: NAD-27
 LAT: $36^{\circ}09'28.3''$ N
 LONG: $99^{\circ}57'53.3''$ W
 LAT: 36.157868946° N
 LONG: 99.964802589° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1420006
 Y: 427344