

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

API NUMBER: 153 23616

Approval Date: 02/05/2018

Expiration Date: 08/05/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 20N Rge: 17W

County: WOODWARD

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 1030 1980

Lease Name: FORBES 2524-20-17

Well No: 1H

Well will be 1030 feet from nearest unit or lease boundary.

Operator Name: TAPSTONE ENERGY LLC

Telephone: 4057021600

OTC/OCC Number: 23467 0

TAPSTONE ENERGY LLC
100 E MAIN ST
OKLAHOMA CITY, OK 73104-2509

SCOTT E. FORBES, TRUSTEE
SCOTT E. FORBES REV. TRUST
1040 SOUTH BUTLER WAY
LAKEWOOD CO 80226

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	9700	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 661944

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201800373
201800377
201800378

Special Orders:

Total Depth: 19000

Ground Elevation: 1782

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 80

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: 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 BED AQUIFER

Pit Location Formation: MARLOW

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

PERMIT NO: 18-33861

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: MARLOW

HORIZONTAL HOLE 1

Sec 24 Twp 20N Rge 17W County WOODWARD

Spot Location of End Point: N2 N2 NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 9305

Radius of Turn: 573

Direction: 360

Total Length: 8795

Measured Total Depth: 19000

True Vertical Depth: 9700

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category

Description

DEEP SURFACE CASING

1/31/2018 - 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

1/31/2018 - 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

1/31/2018 - 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

1/31/2018 - 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.

153 23616 FORBES 2524-20-17 1H

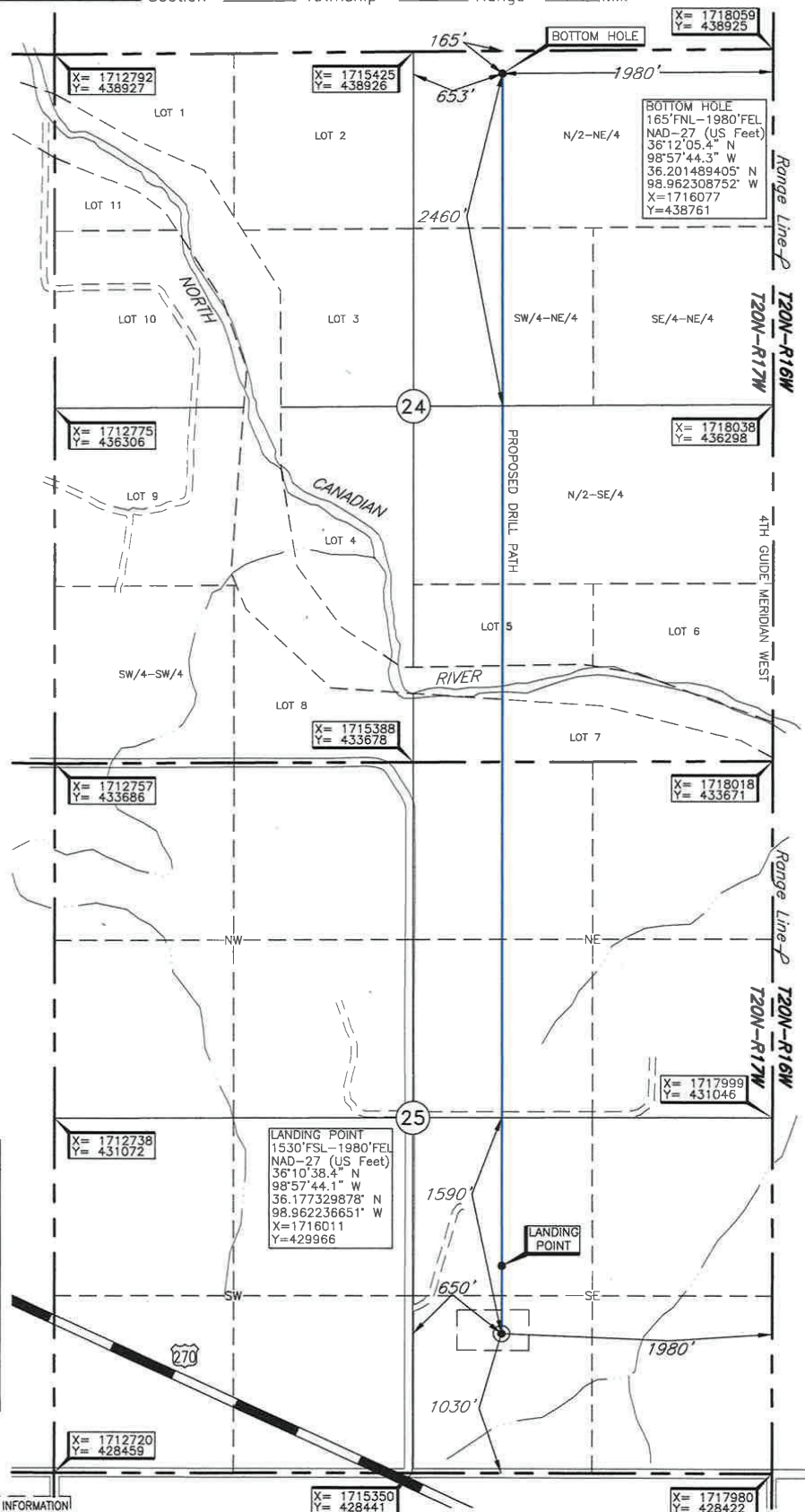
Category	Description
PENDING CD - 201800373	2/1/2018 - G57 - (E.O.)(640)(HOR) 25-20N-17W VAC 55987 CSTR VAC 129845 OSAGE EXT 661944 MSSP POE TO BHL NLT 660' FB REC 1-30-2018 (JACKSON)
PENDING CD - 201800377	2/1/2018 - G57 - (E.O.) 25 & 24-20N-17W EST MULTIUNIT HORIZONTAL WELL X201800373 MSSP 25-20N-17W X661944 MSSP 24-20N-17W 50% 25-20N-17W 50% 24-20N-17W TAPSTONE ENERGY, LLC. REC 1-30-2018 (JACKSON)
PENDING CD - 201800378	2/1/2018 - G57 - (E.O.) 25 & 24-20N-17W X201800373 MSSP 25-20N-17W X661944 MSSP 24-20N-17W COMPL. INT. (25-20N-17W) NCT 165' FSL, NCT 0' FNL, NCT 900' FEL COMPL. INT. (24-20N-17W) NCT 0' FSL, NCT 165' FNL, NCT 900'FEL NO OP. NAMED REC 1-30-2018 (JACKSON)
SPACING - 661944	2/1/2018 - G57 - (640) 24-20N-17W VAC OTHER VAC 55987 CSTR VAC 129845 OSAGE, OTHERS EXT 658187 MSSP POE TO BHL NLT 660' FB

WOODWARD County, Oklahoma
1030' FSL - 1980' FEL Section 25 Township 20N Range 17W I.M.



NOTE:
The information shown herein is for construction purposes ONLY.

Operator: TAPSTONE ENERGY
Lease Name: FORBES 25/24-20-17
Topography & Vegetation Loc. fall in terraced wheat field, $\pm 24.5'$ NW of NE-SW pipeline, $\pm 45.3'$ SE of NE-SW pipeline
Well No.: 1H
ELEVATION: 1782' Gr. at Stake
Good Drill Site? Yes
Reference Stakes or Alternate Location Stakes Set None
Best Accessibility to Location From West off county road.
Distance & Direction From Jct. US Hwy. 183 South and US Hwy. 270 SE-NW, NW of Seiling, OK, go ± 0.5 mi. NW of US Hwy. 270, then ± 1.0 mi. North to the N/4 Cor. of Sec. 25-T20N-R17W



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

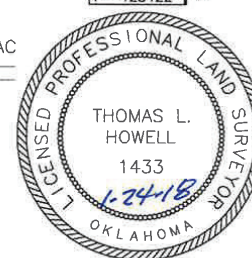
Revision ☒ A Date of Drawing: Jan. 23, 2018

Invoice # 287009 Date Staked: Jan. 19, 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

Thomas L. Howell
Oklahoma Lic. No. 1433



DATUM: NAD-27
LAT: $36^{\circ}10'33.4''$ N
LONG: $98^{\circ}57'44.0''$ W
LAT: 36.175956330° N
LONG: 98.962232553° W
STATE PLANE COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1716008
Y: 429466