

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

API NUMBER: 093 25158

Approval Date: 08/31/2018

Expiration Date: 02/28/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 22N Rge: 12W County: MAJOR

SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 35 290

Lease Name: CORNELSON Well No: 2-3H Well will be 35 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

WILLIAM R. CORNELSON
P.O. BOX 127
CLEO SPRINGS OK 73729

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	6950	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 63692

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201806495
201806494
201807073

Special Orders:

Total Depth: 12400 Ground Elevation: 1236 Surface Casing: 790 Depth to base of Treatable Water-Bearing FM: 540

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? Y

Wellhead Protection Area? Y

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

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

PERMIT NO: 18-35198

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? Y

Wellhead Protection Area? Y

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 03 Twp 22N Rge 12W County MAJOR

Spot Location of End Point: N2 NW NW NW

Feet From: NORTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 6563

Radius of Turn: 573

Direction: 2

Total Length: 4937

Measured Total Depth: 12400

True Vertical Depth: 6950

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

Notes:

Category

Description

HYDRAULIC FRACTURING

8/21/2018 - 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

MEMO

8/21/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - ORDER # 287231); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201806494

8/30/2018 - G75 - (E.O.) 3-22N-12W
X63692 MSSP (CLARIFIED BY 201807073 TO BE MSSLM)
1 WELL
NO OP. NAMED
REC 8-27-2018 (P. PORTER)

PENDING CD - 201806495

8/30/2018 - G75 - (E.O.) 3-22N-12W
X63692 MSSP (CLARIFIED BY 201807073 TO BE MSSLM)
COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 330' FWL
NO OP. NAMED
REC 8-27-2018 (P. PORTER)

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

093 25158 CORNELSON 2-3H

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
PENDING CD - 201807073	8/31/2018 - G75 - (640) 3-22N-12W CLARIFY ORDER # 63692 TO SPACE MSSLM INSTEAD OF MSSP HEARING 9-24-2018 (OK'D PER MCCOY)
PUBLIC WATER SUPPLY WELLS	8/21/2018 - G71 - ENID, 4 PWS/WPA, NE4 4-22N-12W, SW4 & SE4 3-22N-12W & NW4 10-22N-12W
SPACING - 63692	8/31/2018 - G75 - (640) 3-22N-12W VAC OTHER CONSOL/EXT 42717/61821 MSSLM & 52318/55564 MSSP TO SPACE MSSP (CLARIFIED BY 201807073 TO SPACE MSSLM)



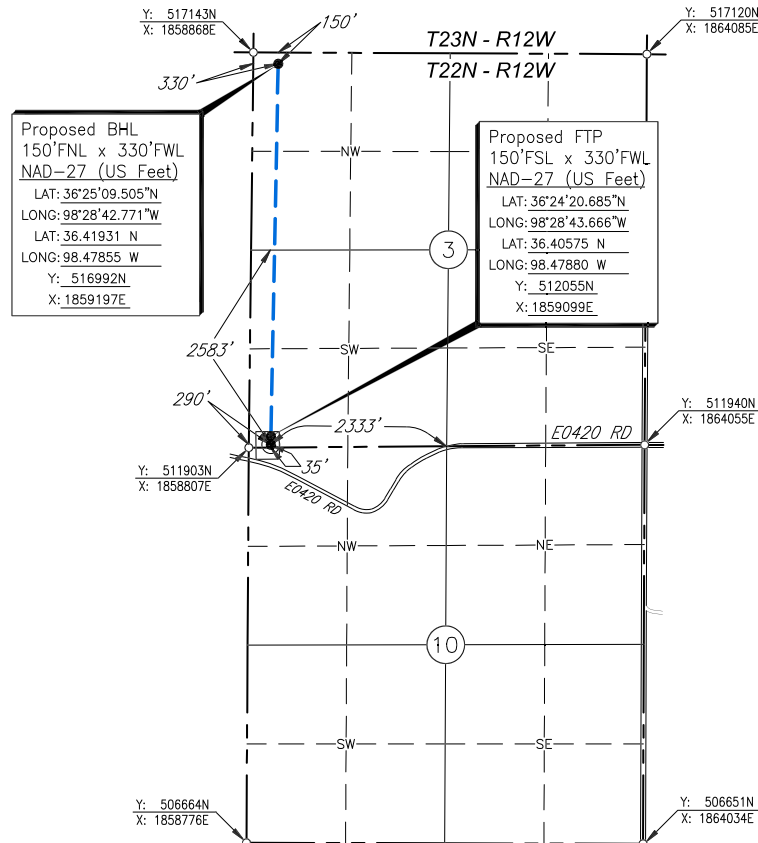
CIMARRON
SURVEYING & MAPPING CO.
C.A. No. 1780 Expires June 30, 2020

1530 SW 89th STREET, Bldg. C3
Oklahoma City, OK
(405) 692-7348
CIMSURVEY.COM

MAJOR

County, Oklahoma

35'FSL — 290'FWL Section 3 Township 22N Range 12W I.M.



Scale: 1" = 2000'

GPS Observation: Latitude 36°24'19.547" N
Longitude 98°28'43.676" W
Latitude 36.40543 N
Longitude 98.47880 W

Date Staked: August 6, 2018

State Plane NAD27 Y: 511940N
Oklahoma North Zone: X:1859098W

Operator: FAIRWAY RESOURCES OPERATING III, LLC.

Elevation: 1236'

Lease Name: Cornelson

Well No.: 2-3H

Topography & Vegetation: Brush and Sand Hills

Alternate Location Stakes Set: No

Good Drill Site? Yes

Best Accessibility to Location: From the South Line

Distance & Direction

from Hwy Jct or Town: From the town of Cleo Springs; Thence West approx. 2 miles to location.

SURVEYOR'S CERTIFICATE:

I, D. MIKE DOSSEY, Registered Professional Land Surveyor, No. 1431 do hereby certify that the above described well location was carefully staked on the ground as shown and that all ties and distances shown are from existing lines of occupation.

JOB NO.: 180715A				
DATE: 08/14/18				
DRAWN BY: S.R.T.	NO.	REVISION	DATE	BY

PRELIMINARY

D. MIKE DOSSEY R.P.L.S. # 1431

