

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

API NUMBER: 073 25890

Approval Date: 01/10/2018

Expiration Date: 07/10/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 15N Rge: 9W

County: KINGFISHER

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 320 1527

Lease Name: BERNHARDT 8_5-15N-9W

Well No: 2HX

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

Operator Name: DEVON ENERGY PRODUCTION CO LP

Telephone: 4052353611; 4052353

OTC/OCC Number: 20751 0

DEVON ENERGY PRODUCTION CO LP
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102-5010

DEVON ENERGY PROD CO LP
333 W SHERIDAN AVE
OKLAHOMA CITY OK 73102

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

| | Name | Depth | Name | Depth |
|---|----------------------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 8965 | 6 | |
| 2 | MISSISSIPPIAN (EX CHESTER) | 9760 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 631851
645049

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201706734
201706735
201706732
201706733

Special Orders:

Total Depth: 19750

Ground Elevation: 1250

Surface Casing: 1999

Depth to base of Treatable Water-Bearing FM: 390

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: 5000 Average: 3000

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: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

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

PERMIT NO: 17-33419

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

Sec 05 Twp 15N Rge 9W County KINGFISHER

Spot Location of End Point: NW NE NW NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 950

Depth of Deviation: 9263

Radius of Turn: 478

Direction: 357

Total Length: 9738

Measured Total Depth: 19750

True Vertical Depth: 9760

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

1/5/2018 - 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

1/5/2018 - 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

1/5/2018 - 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

1/5/2018 - 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.

073 25890 BERNHARDT 8_5-15N-9W 2HX

| Category | Description |
|------------------------|--|
| PENDING CD - 201706732 | 1/8/2018 - G60 - (E.O.) 8-15N-9W X631851 MSSP 9 WELLS DEVON ENERGY PRODUCTION CO, LP REC. 11/13/17 (M. PORTER) |
| PENDING CD - 201706733 | 1/8/2018 - G60 - (E.O.) 5-15N-9W X631851 MSSP 9 WELLS DEVON ENERGY PRODUCTION CO, LP REC. 11/13/17 (M. PORTER) |
| PENDING CD - 201706734 | 1/8/2018 - G60 - (E.O.) 8 & 5-15N-9W EST MULTIUNIT HORIZONTAL WELL X645049 (8-15N-9W) MSNLC X631851 (5-15N-9W) MSSP 50% 8-15N-9W 50% 5-15N-9W DEVON ENERGY PROD. CO. LP. REC. 11/13/17 (M. PORTER) |
| PENDING CD - 201706735 | 1/8/2018 - G60 - (E.O.) 8 & 5-15N-9W X645049 (8-15N-9W) MSNLC X631851 (5-15N-9W) MSSP X165:10-3-28(C)(2)(B) MSSP, MSNLC MAY BE CLOSER THAN 600' TO ANOTHER PROPOSED WELL OR THE BERNHARDT 8_5-15N-9W 1HX WELLS COMPL. INT. (8-15N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (5-15N-9W) NCT 0' FNL, NCT 165' FNL, NCT 330' FWL DEVON ENERGY PROD. CO. LP. REC. 11/13/17 (M. PORTER) |
| SPACING - 631851 | 1/8/2018 - G60 - (640)(HOR) 5-15N-9W EST MSSP, OTHERS COMPL. INT. NLT 660' FB (COEXIST WITH 56289 MCSTR; SP. ORDER 212941 MSSSD) |
| SPACING - 645049 | 1/8/2018 - G60 - (640)(HOR) 8-15N-9W EST MSNLC, OTHER EXT 642679 OTHER COMPL. INT. NCT 660' FB (COEXIST WITH SP. ORDER 176175 MSSSD) |

