| PI NUMBER: 153 23634 rizontal Hole Oil & Gas | OIL & GAS CO P. OKLAHOM | PRPORATION COMMISSION ONSERVATION DIVISION O. BOX 52000 A CITY, OK 73152-2000 ule 165:10-3-1) | Approval Date: Expiration Date: | 09/20/2018 03/20/2020 |
|--|----------------------------------|---|---|----------------------------|
| | PE | RMIT TO DRILL | | |
| | | | | |
| WELL LOCATION: Sec: 25 Twp: 20N | Rge: 18W County: WOODWA | ARD | | |
| SPOT LOCATION: NE NW NE | NW FEET FROM QUARTER: FROM NOP | RTH FROM WEST | | |
| | SECTION LINES: 245 | 1895 | | |
| Lease Name: HLC 25/36-20-18 | Well No: 1H | w | ell will be 245 feet from neare | st unit or lease boundary. |
| Operator TAPSTONE ENERGY LLC Name: | c . | Telephone: 4057021600 | OTC/OCC Number: | 23467 0 |
| TAPSTONE ENERGY LLC 100 E MAIN ST | | HEDGES LAN C/O 58331 S. | ND & CATTLE COMPANY, L | LC |
| OKLAHOMA CITY, | OK 73104-2509 | VICI | | 3859 |
| | | VICI | | 3039 |
| 1 MISSISSIPPIAN 2 3 4 5 Spacing Orders: No Occurrent | 10650 Location Exception Orde | 6 7 8 9 10 | Increased Density Orders: | |
| No Spacing | | | | |
| Pending CD Numbers: 201807069 201807066 201807067 201807068 | | | Special Orders: | |
| Total Depth: 18500 Ground Elev | vation: 1823 Surface Cas | ing: 1500 | Depth to base of Treatable Wate | r-Bearing FM: 140 |
| | | | | |
| Under Federal Jurisdiction: No | Fresh Water Sup | ply Well Drilled: No | | used to Drill: Yes |
| PIT 1 INFORMATION | | Approved Method for dispo | sal of Drilling Fluids: | |
| Type of Pit System: CLOSED Closed System | m Means Steel Pits | | | |
| Type of Mud System: WATER BASED | | | D. One time land application (REQUIRES PERMIT) PERMIT NO: 18-35385 H. SEE MEMO | |
| Chlorides Max: 8000 Average: 5000 | it holow has of hit? Y | | | |
| Is depth to top of ground water greater than 10f Within 1 mile of municipal water well? N | | | | |
| Wellhead Protection Area? N | | | | |
| Pit is located in a Hydrologically Sensitiv | ve Area. | | | |
| Category of Pit: C | | | | |
| | | | | |
| Liner not required for Category: C | | | | |
| Liner not required for Category: C Pit Location is BED AQUIFER | | | | |

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: RUSH SPRINGS

HORIZONTAL HOLE 1

| Sec 36 Twp 20N Rge 18W Cour | ty WOODWARD | | | |
|---|--|--|--|--|
| Spot Location of End Point: C | | | | |
| Feet From: NORTH 1/4 Section Line: 2640 | | | | |
| Feet From: WEST 1/4 Section Line: | 2640 | | | |
| Depth of Deviation: 10039 | | | | |
| Radius of Turn: 1000 | | | | |
| Direction: 175 | | | | |
| Total Length: 6890 | | | | |
| Measured Total Depth: 18500 | | | | |
| True Vertical Depth: 10650 | | | | |
| End Point Location from Lease, | | | | |
| Unit, or Property Line: 2640 | | | | |
| | | | | |
| Notes: | | | | |
| Category | Description | | | |
| DEEP SURFACE CASING | 9/19/2018 - 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 | 9/19/2018 - 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

INTERMEDIATE CASING

МЕМО

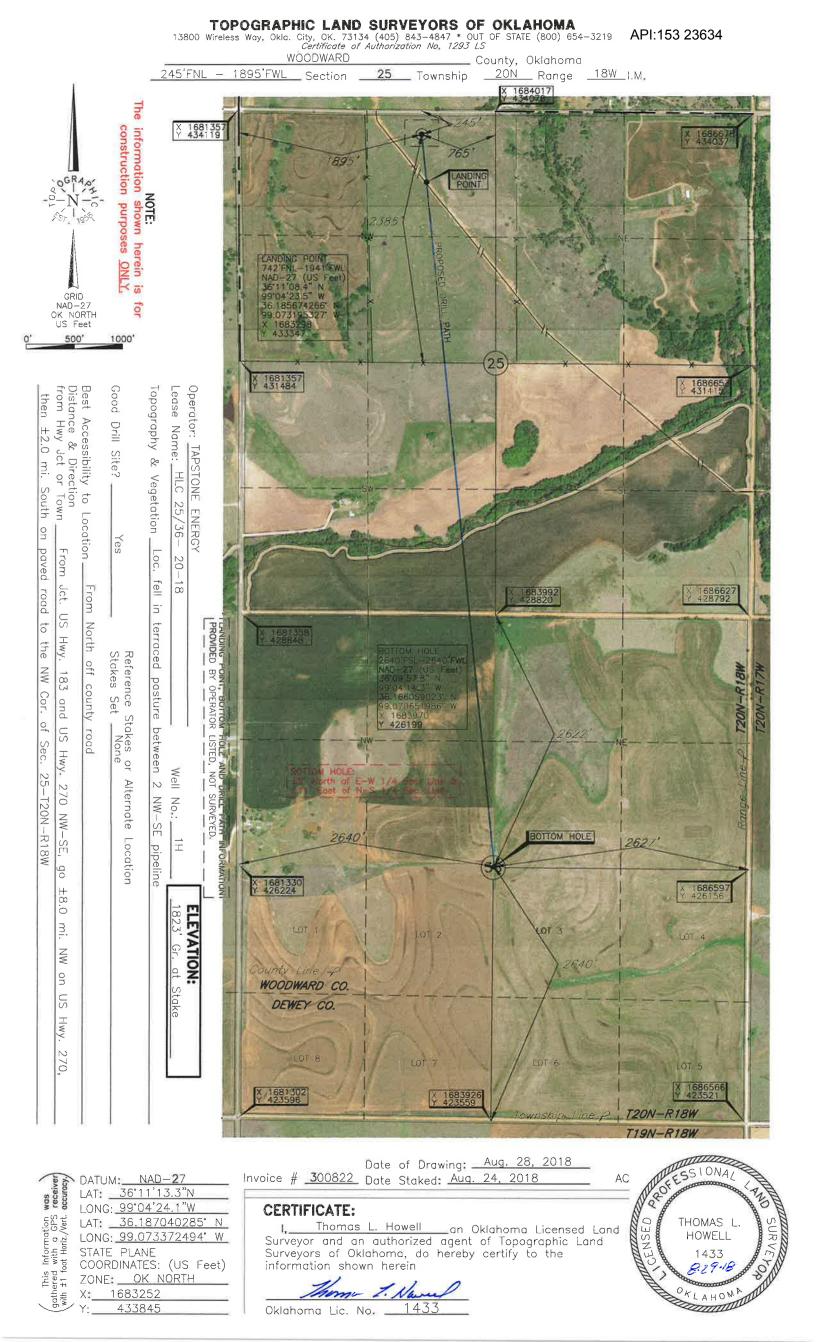
HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG 9/19/2018 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

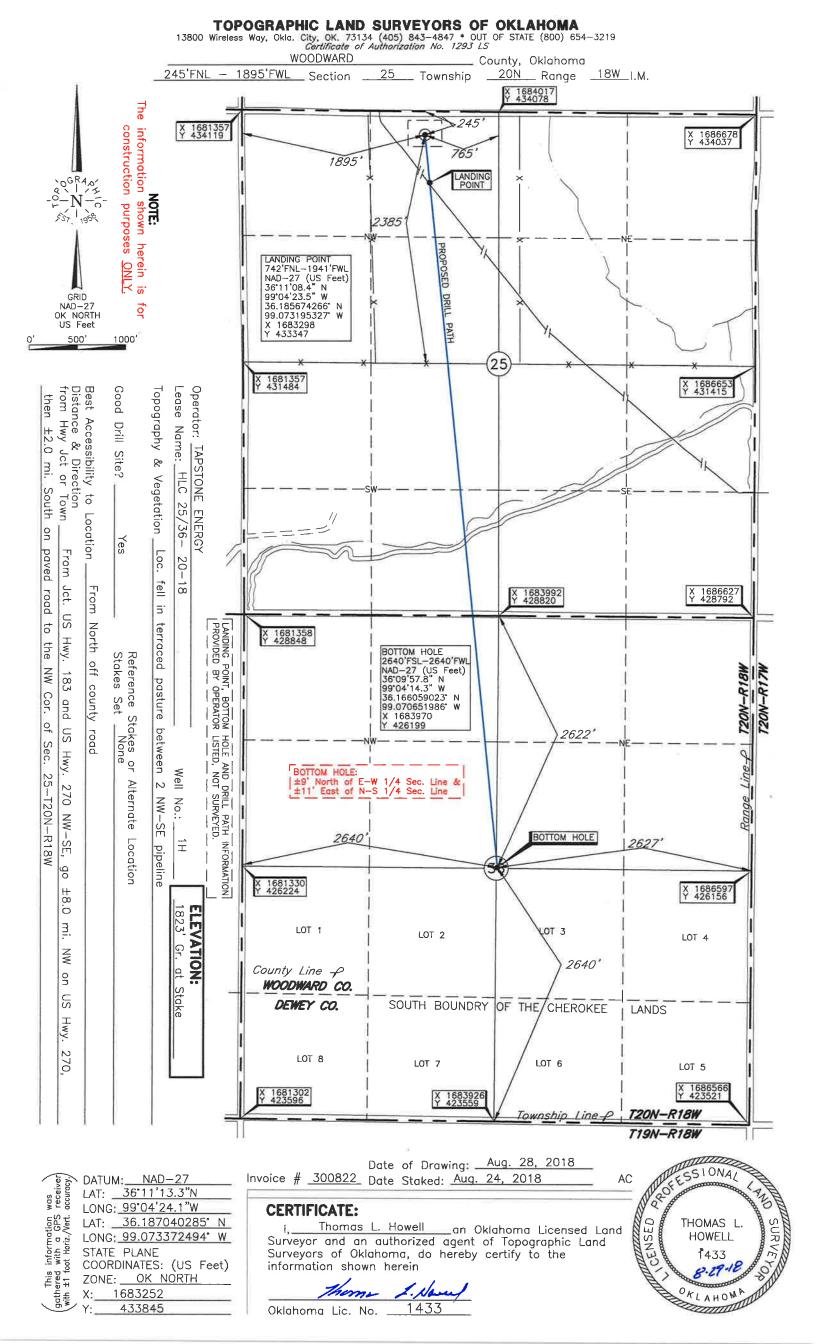
TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE

9/19/2018 - 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 23634 HLC 25/36-20-18 1H

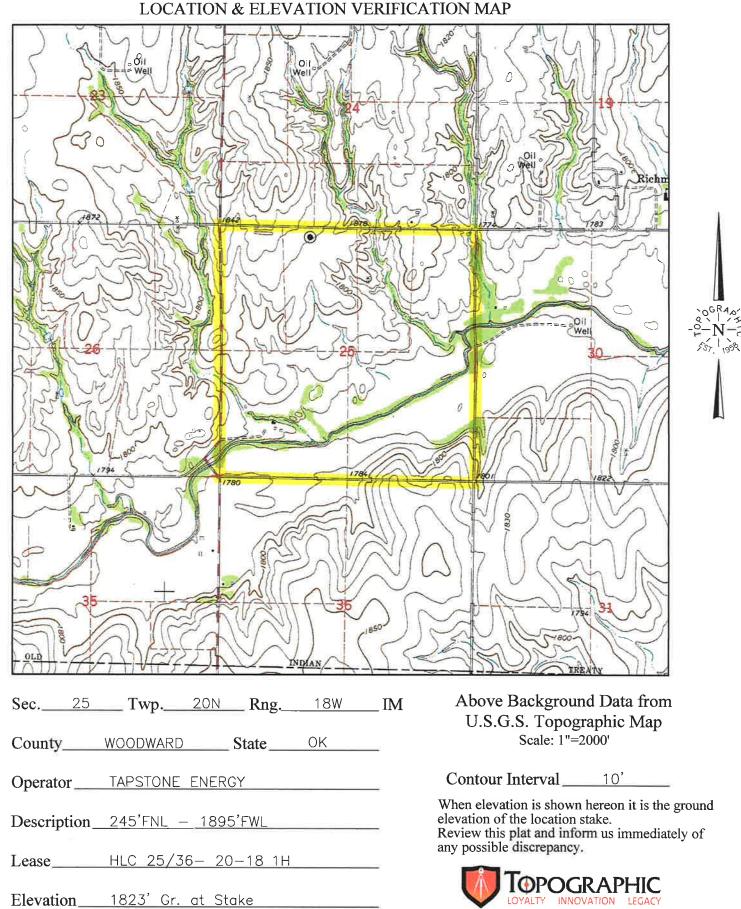
| Category | Description |
|------------------------|---|
| PENDING CD - 201807066 | 9/19/2018 - G57 - (E.O.)(640)(HOR) 25-20N-18W VAC 57549/57610 CRLM EXT 679616 MSSP POE TO BHL NLT 660' FB REC 9-14-2018 (P. PORTER) |
| PENDING CD - 201807067 | 9/19/2018 - G57 - (E.O.)(640)(HOR) 36-20N-18W VAC 119799 MSCST EXT 679616 MSSP POE TO BHL NLT 660' FB REC 9-14-2018 (P. PORTER) |
| PENDING CD - 201807068 | 9/19/2018 - G57 - (E.O.) 25 & 36-20N-18W EST MULTIUNIT HORIZONTAL WELL X201807066 MSSP 25-20N-18W X201807067 MSSP 36-20N-18W 50% 25-20N-18W 50% 36-20N-18W TAPSTONE ENERGY, LLC. REC 9-14-2018 (P. PORTER) |
| PENDING CD - 201807069 | 9/19/2018 - G57 - (E.O.) 25 & 36-20N-18W X201807066 MSSP 25-20N-18W X201807067 MSSP 36-20N-18W COMPL. INT. (25-20N-18W) NCT 150' FNL, NCT 0' FSL, NCT 1320' FWL COMPL. INT. (36-20N-18W) NCT 0' FNL, NCT 150' FSL, NCT 1320' FWL TAPSTONE ENERGY, LLC. REC 9-14-2018 (P.PORTER) |





TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

Surveying and Mapping for the Energy Industry 13800 Wireless Way, Okla. City, OK. 73134 www.topographic.com Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

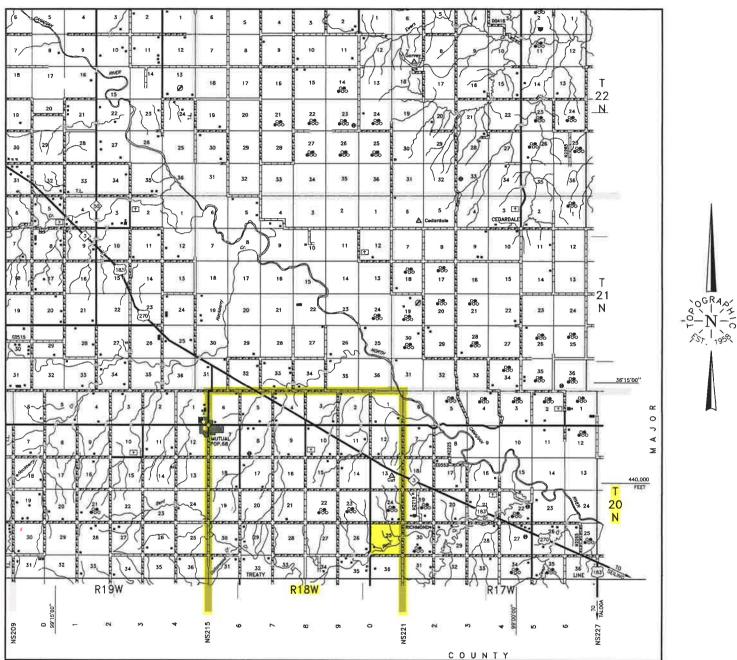


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VICINITY MAP



Scale: 1'' = 3 Miles

Sec. 25 Twp. 20N Rng. 18W IM

County______WOODWARD_____State_____OK____

Operator _____ TAPSTONE ENERGY



