

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

API NUMBER: 093 25161

Approval Date: 09/19/2018

Expiration Date: 03/19/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 23N Rge: 12W County: MAJOR

SPOT LOCATION: ☐ NE ☐ NE ☐ NW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 220 1050

Lease Name: HD Well No: 1-32H Well will be 220 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

RICKY FLOYD & CARI DIETZ
252021 EAST COUNTY ROAD 40
CLEO SPRINGS OK 73729

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	6930	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 55564

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201807320
201807321
201807323

Special Orders:

Total Depth: 12400

Ground Elevation: 1290

Surface Casing: 670

Depth to base of Treatable Water-Bearing FM: 420

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 18-35352

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 32 Twp 23N Rge 12W County MAJOR

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 380

Depth of Deviation: 6842

Radius of Turn: 382

Direction: 185

Total Length: 4957

Measured Total Depth: 12400

True Vertical Depth: 7000

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

Notes:

Category

Description

HYDRAULIC FRACTURING

9/14/2018 - 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

9/17/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201807320

9/19/2018 - G57 - (E.O.) 32-23N-12W
X55564/201807323 MSSLM
1 WELL
FAIRWAY RESOURCES OPERATING III, LLC.
REC 9-18-2018 (JACKSON)

PENDING CD - 201807321

9/19/2018 - G57 - (E.O.) 32-23N-12W
X55564/201807323 MSSLM
COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 330' FWL
FAIRWAY RESOURCES OPERATING III, LLC.
REC 9-18-2018 (JACKSON)

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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.

093 25161 HD 1-32H

Category	Description
PENDING CD - 201807323	9/19/2018 - G57 - (E.O.)(640) 32-23N-12W MODIFY & CLARIFY SP. ORDER 55564 SPACED THE MSSLM FAIRWAY RESOURCES OPERATING III, LLC. REC 9-18-2018 (JACKSON)
PUBLIC WATER SUPPLY WELLS	9/14/2018 - G71 - ENID - 3 PWS/WPA, 1 - SW/4 32-23N-12W & 2 - SE/4 31-23N-12W
SPACING - 55564	9/19/2018 - G57 - (640) 32-23N-12W EXT OTHER EXT 32318 MSSP

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.

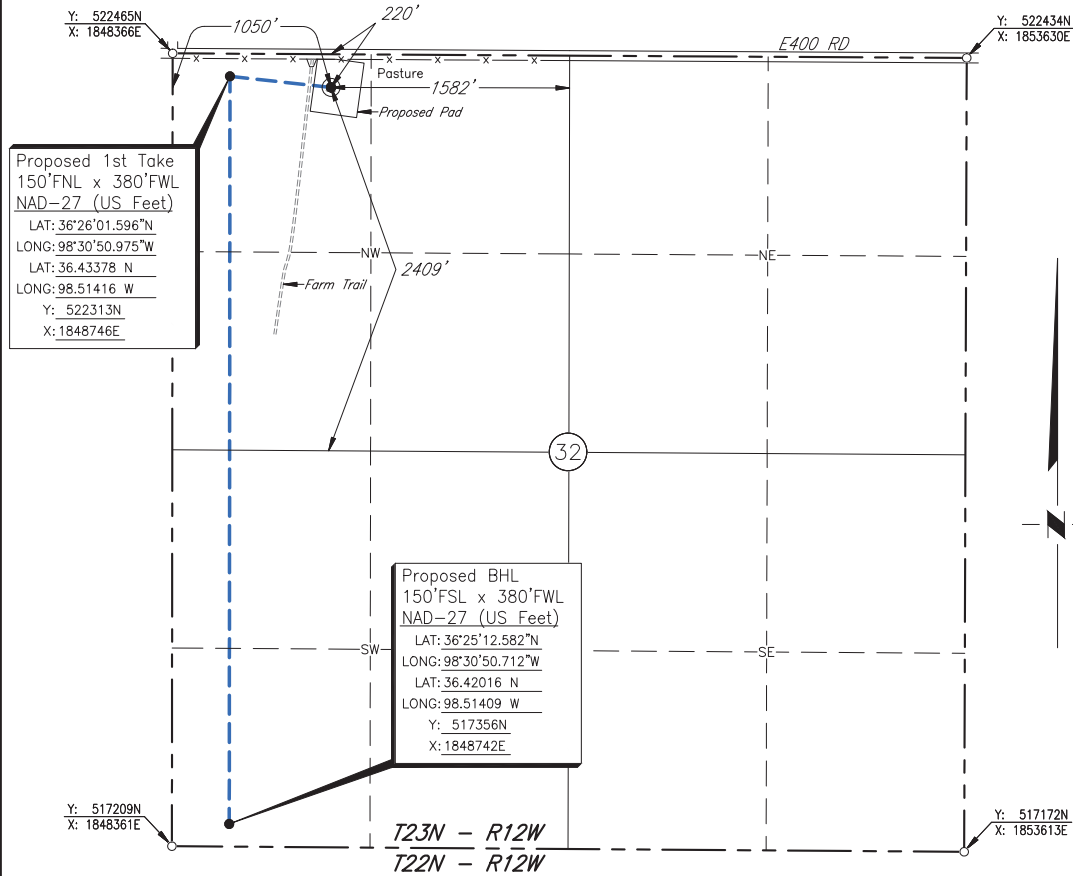


CIMARRON
SURVEYING & MAPPING CO.
C.A. No. 1780 Expires June 30, 2020

1530 SW 89th Street, Bldg. C3
Oklahoma City, OK
(405) 692-7348
www.cimsurvey.com

MAJOR _____ County, Oklahoma

220'FNL — 1050'FWL Section 32 Township 23N Range 12W I.M.



Scale: 1" = 1000'

GPS Observation: Latitude 36°26'00.901" N
Longitude 98°30'42.772" W
Latitude 36.43358 N
Longitude 98.51188 W

Date Staked: August 6, 2018

State Plane NAD27 Y: 522239N
Oklahoma North Zone: X:1849416W

Operator: FAIRWAY RESOURCES OPERATING III, LLC.

Elevation: 1290'

Lease Name: HD

Well No.: 1-32H

Topography & Vegetation: Pasture

Alternate Location Stakes Set: No

Good Drill Site? Yes

Best Accessibility to Location: From the North Line

Distance & Direction

from Hwy Jct or Town: From the town of Cleo Springs; Thence North approx. 1³/₄ miles;
Thence West approx. 3³/₄ 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.: 180716A	2	MOVED BHL	09/12/18	S.R.T.
DATE: 08/22/18	1	ADDED BHL	08/29/18	N.J.S.
DRAWN BY: N.J.S.	NO.	REVISION	DATE	BY

PRELIMINARY

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

