

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

API NUMBER: 093 25102 A

Approval Date: 11/02/2017
Expiration Date: 05/02/2018

Horizontal Hole Oil & Gas

Amend reason: CHANGE TO HORIZONTAL OIL/GAS WELL

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 21N Rge: 14W County: MAJOR
SPOT LOCATION: ☐ NW ☐ SE ☐ SE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 556 380

Lease Name: EDWARDS Well No: 1-12H Well will be 380 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

A & S MCKEE FAMILY, LLC
14798 HIGHWAY 60
FAIRVIEW OK 73737

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	7570	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201705538
201705544
201705542

Special Orders:

Total Depth: 13000 Ground Elevation: 1436 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 530

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: 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 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: FLOWERPOT

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-34000
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 12 Twp 21N Rge 14W County MAJOR

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 380

Depth of Deviation: 7295

Radius of Turn: 477

Direction: 180

Total Length: 4956

Measured Total Depth: 13000

True Vertical Depth: 7570

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

Notes:

Category	Description
DEEP SURFACE CASING	11/1/2017 - 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	11/13/2017 - G57 - 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
PENDING CD - 201705538	11/6/2017 - G57 - (640)(HOR) 12-21N-14W VAC 81714/85666 MNNG W2 NE4, SE4, W2 VAC 81714/85666 MSSLM E2 VAC 126041 N2 SW4 MSSLM VAC 636479 E2 NW4 MSSLM EST (HOR) MSSP (COEXIST WITH 68831 & NON-HORIZONTAL WELLS) REC 09-11-2017 (MILLER)
PENDING CD - 201705542	11/13/2017 - G57 - (I.O.) 12-21N-14W X165:10-3-28(C)(2)(B) MSSP (EDWARDS 1-12H) MAY BE CLOSER THAN 600' TO EDWARDS "A" 12-2 FAIRWAY RESOURCES OP. III, LLC REC 9-11-2017 (MILLER)
PENDING CD - 201705544	11/8/2017 - G57 - (I.O.) X201705538 MSSP SHL (1-21N-14W) NCT 0' FSL, NCT 100' FEL COMPL. INT. (12-21N-14W) NCT 150' FNL, NCT 150' FSL, NCT 330' FEL NO OP. NAMED REC 9-11-17 (MILLER)

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

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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 25102 EDWARDS 1-12H