API NUMBER: 121 24803

Oil & Gas

Horizontal Hole

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

Approval Date: 12/06/2017
Expiration Date: 06/06/2018

PERMIT TO DRILL

WELL LOCATION:	Sec:	14	Twp:	7N	Rge: 18E	County:	PITTSBURG

SPOT LOCATION: SE NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 355 540

Lease Name: FORD 0718 Well No: 6H-15 Well will be 355 feet from nearest unit or lease boundary.

Operator RED MOUNTAIN OPERATING LLC Telephone: 4058424500 OTC/OCC Number: 23694 0

RED MOUNTAIN OPERATING LLC

5637 N CLASSEN BLVD

OKLAHOMA CITY, OK 73118-4015

SONJA FORD P.O. BOX 839

QUINTON OK 74561

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

Name Depth Name Depth MISSISSIPPIAN 1 7469 6 2 WOODFORD 7952 7 3 HUNTON 8037 8 4 9 10 665592 Spacing Orders: Location Exception Orders: 669798 Increased Density Orders:

Pending CD Numbers: 201700661 Special Orders:

Total Depth: 16760 Ground Elevation: 696 Surface Casing: 300 Depth to base of Treatable Water-Bearing FM: 220

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 D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33498
Chlorides Max: 8000 Average: 5000 H. SEE MEMO

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: SAVANNA

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: SAVANNA

HORIZONTAL HOLE 1

Sec 22 Twp 7N Rge 18E County PITTSBURG

Spot Location of End Point: SE SW NE SE
Feet From: SOUTH 1/4 Section Line: 1500
Feet From: EAST 1/4 Section Line: 880

Depth of Deviation: 7082 Radius of Turn: 477 Direction: 195

Total Length: 8929

Measured Total Depth: 16760

True Vertical Depth: 8037

End Point Location from Lease,
Unit, or Property Line: 880

Notes:

Category Description

HYDRAULIC FRACTURING 12/4/2017 - 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

LOCATION EXCEPTION - 669798 12/4/2017 - G57 - (I.O.) 15 & 22-7N-18E

X665592 MSSP, WDFD, HNTN SHL NW4 NW4 14-7N-18E

COMPL. INT. (15-7N-18E) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL COMPL. INT. (22-7N-18E) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL

NO OP. NAMED 11-7-2017

MEMO 12/4/2017 - G57 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

Category Description

PENDING CD - 201700661 12/4/2017 - G57 - (I.O.) 15 & 22-7N-18E

EST MULTIUNIT HORIZONTAL WELL

X665592 MSSP,WDFD, HNTN

(MSSP, HNTN ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD)

57% 15-7N-18E 43% 22-7N-18E

SANGUINE GAS EXPLORATION, LLC**

REC 11-28-2017 (NORRIS)

** S/B RED MOUNTAIN OPERATING, LLC; TO BE CORRECTED AT HEARING FOR FINAL ORDER

PER ATTORNEY FOR OPERATOR

SPACING - 665592 12/4/2017 - G57 - (640)(HOR) 15 & 22-7N-18E

EST MSSP, WDFD, HNTN

COMPL. INT. (MSSP, HNTN) NLT 660' FB

COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL

(COEXIST SP. ORDER # 172655 22-7N-18E)

