

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

API NUMBER: 151 24530

Approval Date: 05/31/2018

Expiration Date: 11/30/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 23N Rge: 13W County: WOODS  
SPOT LOCATION: ☐ NE ☐ NW ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 320 865

Lease Name: RICH Well No: 4-32H Well will be 320 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

LEONARD, PATRICIA, MONTY & LINDA SHELITE  
1112 SCENIC RIDGE  
FORT COBB OK 73036

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	7200	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 613254 Location Exception Orders: 678281 Increased Density Orders: 677319  
678069

Pending CD Numbers:

Special Orders:

Total Depth: 12500 Ground Elevation: 1492 Surface Casing: 300 Depth to base of Treatable Water-Bearing FM: 100

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? 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 18-34298

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 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 24N Rge 13W County WOODS

Spot Location of End Point: N2 N2 NE NE

Feet From: NORTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 6920

Radius of Turn: 382

Direction: 3

Total Length: 4979

Measured Total Depth: 12500

True Vertical Depth: 7200

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

### Notes:

#### Category

#### Description

#### HYDRAULIC FRACTURING

5/23/2018 - 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](http://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](http://FRACFOCUS.ORG)

#### INCREASED DENSITY - 677319

5/30/2018 - G57 - (F.O.) 32-24N-13W  
X613254 MSSP  
1 WELL  
FAIRWAY RESOURCES OPERATING III, LLC.  
5-4-2018

#### LOCATION EXCEPTION - 678069

5/30/2018 - G57 - (I.O.) 32-24N-13W  
X165:10-3-28(C)(2)(B) MSSP (RICH 4-32H) MAY BE CLOSER THAN 600' TO THE MORSTAIN 1-32 & RICH 2-32)  
FAIRWAY RESOURCES OPERATING III, LLC.  
5-21-2018

#### LOCATION EXCEPTION - 678281

5/30/2018 - G57 - (I.O.) 32-24N-13W  
X613254 MSSP  
COMPL. INT. NCT 150' FSL, NCT 150' FNL, NCT 330' FEL  
FAIRWAY RESOURCES OPERATING III, LLC.  
5-24-2018

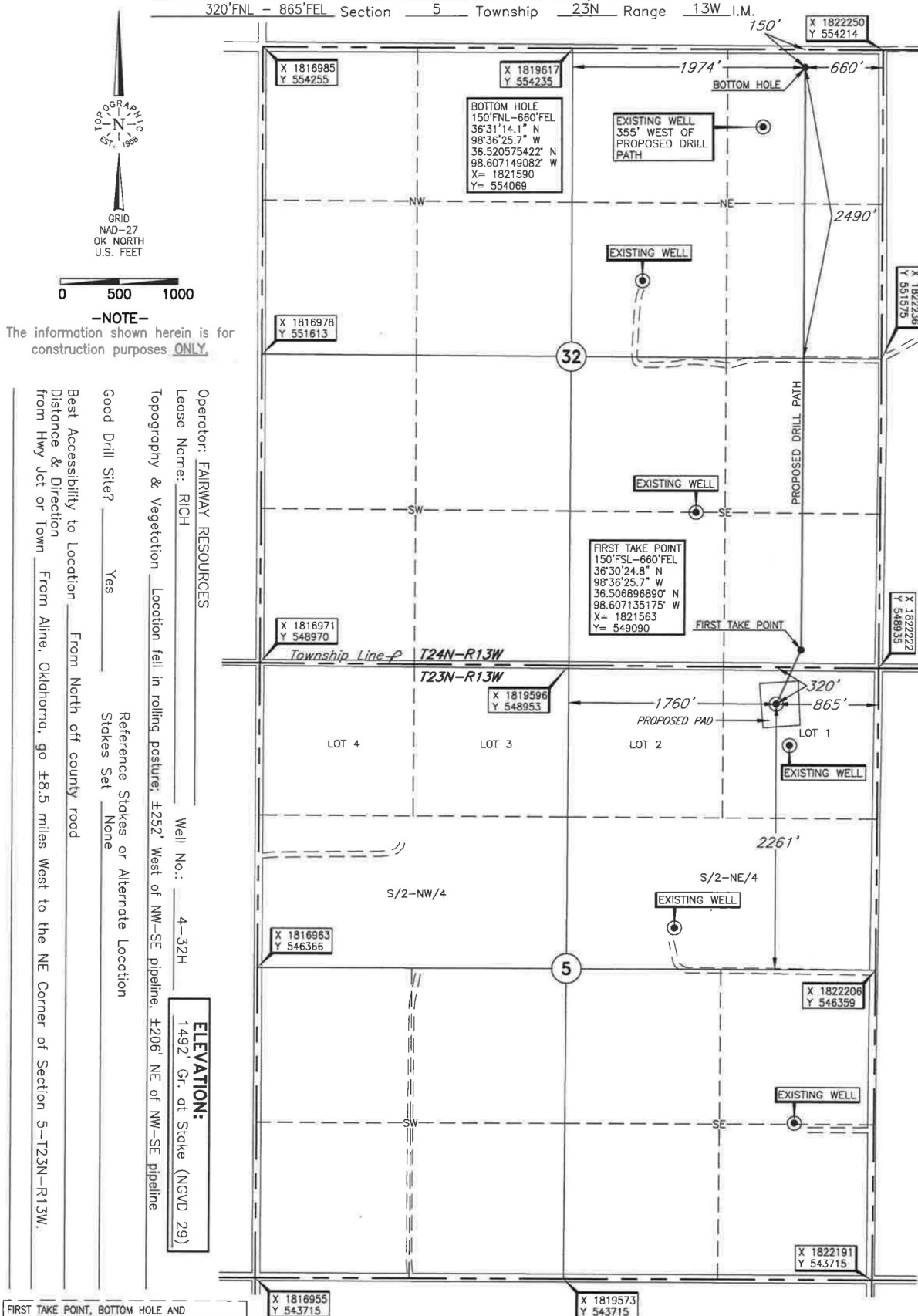
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151 24530 RICH 4-32H

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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.

Category	Description
MEMO	5/23/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 613254	5/30/2018 - G57 - (640)(HOR) 32-24N-13W EST MSSP POE TO BHL NCT 660' FB (COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)



FIRST TAKE POINT, BOTTOM HOLE AND  
DRILL PATH INFORMATION PROVIDED BY OPERATOR  
LISTED, NOT SURVEYED.

DATUM: NAD-27  
LAT: 36°30'20.2\" N  
LONG: 98°36'28.2\" W  
LAT: 36.505605986\" N  
LONG: 98.607831733\" W  
STATE PLANE  
COORDINATES: (US Feet)  
ZONE: OK NORTH  
X: 1821355  
Y: 548621

Revision ☒ A Date of Drawing: May 22, 2018  
Invoice # 290733 Date Staked: March 21, 2018 JP

**CERTIFICATE:**

I, Thomas L. Howell an Oklahoma Licensed Land  
Surveyor and an authorized agent of Topographic Land  
Surveyors of Oklahoma, do hereby certify to the  
information shown herein

Thomas L. Howell  
Oklahoma Lic. No. 1433

