API NUMBER: 151 24530

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: 05/31/2018
Expiration Date: 11/30/2018

PERMIT TO DRILL

WELL LOCATION: S	Sec:	05	Twp:	23N	Rge:	13W	County:	WOODS
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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 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 MISSISSIPPIAN 1 7200 6 2 7 8 3 4 9 10 613254 Spacing Orders: 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 D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34298
Chlorides Max: 55000 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 AP/TE DEPOSIT
Pit Location Formation: TERRACE

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?

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

NE Spot Location of End Point: N2 N2 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; 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

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

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.

151 24530 RICH 4-32H

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)

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS API: 151 24530 County, Oklahoma

23N Range 13W I.M. WOODS - 865'FEL Section 320'FNL 5 _ Township X 1822250 Y 554214 1974' 660 X 1816985 Y 554255 X 1819617 Y 554235 BOTTOM HOLE BOTTOM HOLE 150'FNL-660'FEL 36'31'14.1" N 98'36'25.7" W 36.520575422' N 98.607149082' W EXISTING WELL 355' WEST OF PROPOSED DRILL PATH X= 1821590 Y= 554069 2490 EXISTING WELL ПО 500 1000 -NOTE-The information shown herein is for construction purposes ONLY. 32 PATH Good Topography Operator: FAIRWAY RESOURCES DRILL t Accessibility ance & Directi n Hwy Jct or Site? 80 EXISTING WELL RICH Vegetation Town to FIRST TAKE POINT 150'FSL-660'FEL 36'30'24.8" N 98'36'25.7" W 36.506896890' N 98.607135175' W X= 1821563 Y= 540090 Location From Yes Location Aline, FIRST TAKE POINT T24N-R13W fell Oklahoma, T23N-R13W 2. >320' rolling X 1819596 Y 548953 1760' 865 PROPOSED PAD off LOT 1 LOT 4 LOT 3 LOT 2 go pasture; EXISTING WELL ±8.5 Stakes or road miles WeⅡ 2261 9 West No. West Alternate S/2-NE/4 으 S/2-NW/4 EXISTING WELL to NW-Φ the X 1816963 Y 546366 Š Location ZE 5 11 Corner X 1822206 Y 546359 M ELEVATION: 1492' Gr. at 9 ±206' 으 Section K of NW-SE pipeline EXISTING WELL 5-T23N-R13W Stake (NGVD 29) X 1822191 Y 543715 FIRST TAKE POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED. Revision X A Date of Drawing: May 22, 2018 SSIONAL Invoice # 290733 Date Staked: NAD-27 March 21, 2018 DATUM:_ receiver accuracy. LAT: 36°30'20.2" N LONG: 98°36'28.2" W CERTIFICATE: d with a GPS foot Horiz./Vert. 36.505605986° N 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 LAT: LONG: 98.607831733' W STATE PLANE COORDINATES: (US Feet) HOWELL 1433 5.22 This ered OK NORTH ZONE: _ OKLAHOMP 1821355 /home gath 548621 Oklahoma Lic. No. ___