

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

API NUMBER: 093 25167

Approval Date: 10/11/2018

Expiration Date: 04/11/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 20N Rge: 12W

County: MAJOR

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 215 910

Lease Name: ALKAR FARMS

Well No: 1-14H11X2

Well will be 215 feet from nearest unit or lease boundary.

Operator Name: XTO ENERGY INC

Telephone: 4053193208; 8178852

OTC/OCC Number: 21003 0

XTO ENERGY INC
810 HOUSTON ST
FORT WORTH, TX 76102-6203

AL-KAR FARMS, LLC C/O CURTIS KARBER
6089 BUTTERMERE DRIVE
COLORADO SPRINGS CO 80906

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

| | Name | Depth | Name | Depth |
|---|---------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 7940 | 6 | |
| 2 | WOODFORD | 8508 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201806708
201806710

Special Orders:

Total Depth: 18450

Ground Elevation: 1320

Surface Casing: 1990

Depth to base of Treatable Water-Bearing FM: 590

Under Federal Jurisdiction: Yes

Fresh Water Supply Well Drilled: Yes

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

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 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: 18-35513

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 02 Twp 20N Rge 12W County MAJOR

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 500

Depth of Deviation: 7214

Radius of Turn: 477

Direction: 355

Total Length: 10487

Measured Total Depth: 18450

True Vertical Depth: 8508

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

9/27/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

9/27/2018 - 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

INTERMEDIATE CASING

9/27/2018 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

MEMO

9/27/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

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

093 25167 ALKAR FARMS 1-14H11X2

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.

| Category | Description |
|------------------------|---|
| PENDING CD - 201806708 | <p>9/28/2018 - G75 - (E.O.)(1280)(HOR) 11 & 2-20N-12W EST MSSP, WDFD POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST SP. ORDER # 46580 UNCCR & ORDER # 159708 MSSSD 2-20N-12W; ORDER # 127488 UNCCR W2, ORDER # 168138/169092 CSTR, MNNG, MSSSD NE4, ORDER # 168138/169092 CSTR, MNNG, MSSSD SE4, ORDER # 239964 MSSSD W2 & ORDER # 468832 MNNG NW4 11-20N-12W) XTO ENERGY INC. REC 10-2-2018 (M. PORTER)</p> |
| PENDING CD - 201806710 | <p>9/28/2018 - G75 - (E.O.) 11 & 2-20N-12W X201806708 MSSP, WDFD COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FWL XTO ENERGY INC. REC 10-2-2018 (M. PORTER)</p> |

ALKAR FARMS

1-14H11X2

SECTION 14
TOWNSHIP 20 NORTH, RANGE 12 WEST
MAJOR COUNTY, OKLAHOMA

API 093-25167



OPERATOR:



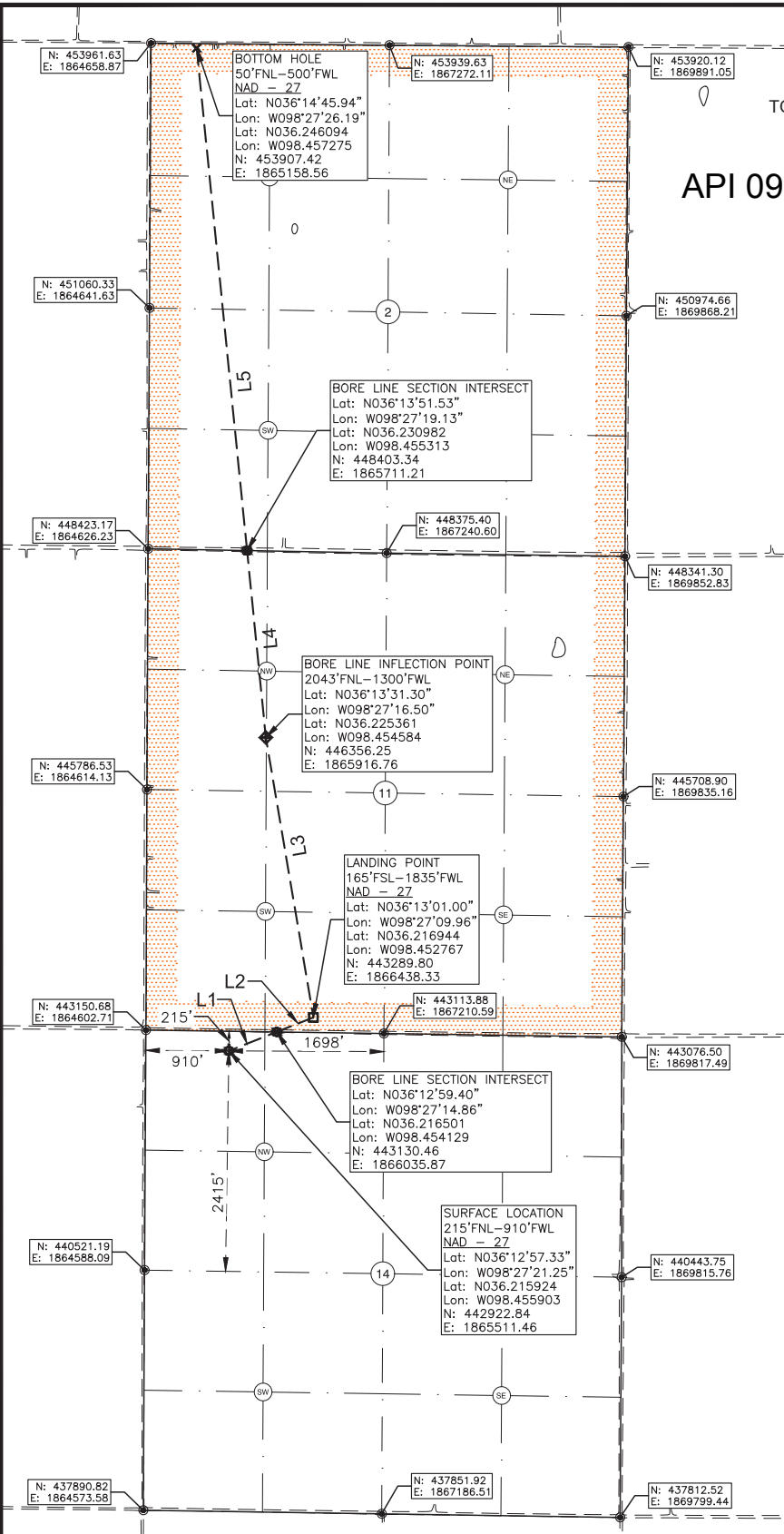
LEGEND:

- EXISTING WELL HEAD/PRODUCTION WELL
- PROPOSED SURFACE HOLE (PSHL)
- SECTION CORNER
- PROPOSED LANDING POINT (LP)
- PROPOSED TARGET 1 (T1)
- PROPOSED BOTTOM HOLE (PBHL)
- BORE LINE INFLECTION POINT
- BORE LINE SECTION LINE INTERSECT
- EXISTING WELL BORE
- PROPOSED WELL BORE
- SUBJECT WELL BORE
- DRILLING UNIT

| Line Table | | |
|------------|------------|---------|
| Line # | Azimuth | Length |
| L1 | 068.400831 | 564.02 |
| L2 | 068.400831 | 432.85 |
| L3 | 350.346976 | 3110.49 |
| L4 | 354.266234 | 2057.39 |
| L5 | 354.266234 | 5531.75 |



NOTES:
1. This survey does not represent a boundary survey. It is for Geographical Information Systems (GIS) purposes only as instructed by the client and is not to be relied upon for the establishment of fences, buildings or other further improvement lines. Positions were taken with Survey Grade RTK GPS and NGS OPUS processed control using the NAD27 Oklahoma South State Plane Coordinate System.
2. Bottom hole information provided by operator listed, not surveyed and corner coordinates are taken from points surveyed in field.



Surface Hole Location: 215' From North Line Section 14
910' From West Line Section 14

Latitude: N36.215924° (NAD 27)
Longitude: W98.455903° (NAD 27)
Latitude: N36.215960° (NAD 83)
Longitude: W98.456259° (NAD 83)

Ground Elev: 1319.75

Landing Point Location: 165' From South Line Section 11
1835' From West Line Section 11

Inflection Point: 1300' From North Line Section 11
2043' From North Line Section 11

Bottom Hole Location: 50' From North Line Section 2
500' From West Line Section 2

Drilling Unit: Section 2 & 11, T20N, R12W

Operator: XTO Energy, Inc.

Best Accessibility to
Location: From North

Distance & Direction from
Hwy Jct or Town:
From the intersection of
State Highway 58 and
County Road E0550, then
East 1.2 mi. to Access
Rd. Well Location to the
South.

I, Chad Fox, a duly registered
Professional Land Surveyor in the
State of OKLAHOMA, do hereby
certify that the drawing shown
hereon was completed and
represents a good and accurate
survey made upon the ground by
me or under my direct supervision.

CHAD FOX P.L.S. NO. 1758
EX. DATE: 31JAN20 C.O.A. NO. 6186



CDF AND ASSOCIATES, LLC.

208 Dewey Ave. Poteau, OK 74953 (918) 649-3303
Certificate of Authorization No. 6186

| | |
|--|-------------------------------------|
| JOB NO: XTO/WP18/ALKAR FARMS 1-14H11X2 | DRAWN BY: LD |
| DATE: 10/OCT/18 | REV: G SCALE: 1" = 1,500' SHT NO. 1 |