

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

API NUMBER: 043 23599

Approval Date: 02/26/2018

Expiration Date: 08/26/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 19N Rge: 14W

County: DEWEY

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 260 253

Lease Name: LINCOLN 21_16-19N-14W

Well No: 1HX

Well will be 253 feet from nearest unit or lease boundary.

Operator Name: DEVON ENERGY PRODUCTION CO LP

Telephone: 4052353611; 4052353

OTC/OCC Number: 20751 0

DEVON ENERGY PRODUCTION CO LP
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102-5010

CHAIN LAND AND CATTLE CO., INC.
237687 STATE HIGHWAY 51
CANTON OK 73724

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	9499	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 672240

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201800652
201800654
201800653

Special Orders:

Total Depth: 18956

Ground Elevation: 1715

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 100

Under Federal Jurisdiction: Yes

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

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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

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

PERMIT NO: 18-33726

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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 16 Twp 19N Rge 14W County DEWEY

Spot Location of End Point: NE SW NW NW

Feet From: NORTH 1/4 Section Line: 700

Feet From: WEST 1/4 Section Line: 380

Depth of Deviation: 8528

Radius of Turn: 477

Direction: 2

Total Length: 9679

Measured Total Depth: 18956

True Vertical Depth: 9569

End Point Location from Lease,
Unit, or Property Line: 380

Notes:

Category

Description

DEEP SURFACE CASING

2/1/2018 - 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

2/1/2018 - 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

2/1/2018 - 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

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

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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.

043 23599 LINCOLN 21_16-19N-14W 1HX

Category	Description
PENDING CD - 201800652	2/6/2018 - G58 - (640)(HOR) 16-19N-14W EST MSSP COMPL. INT. NCT 660' FB COMPL. INT. NCT 660' FB (COEXIST SP. ORDER 251444 CSTR; SP. ORDER 222494 MSSSD) REC 2/12/2018 (DENTON)
PENDING CD - 201800653	2/6/2018 - G58 - (I.O.) 16 & 21-19N-14W EST MULTIUNIT HORIZONTAL WELL X201800652 MSSP (16-19N-14W) X672240 MSSP (21-19N-14W) 50% 16-19N-14W 50% 21-19N-14W NO OP. NAMED REC 2/12/2018 (DENTON)
PENDING CD - 201800654	2/6/2018 - G58 - (I.O.) 16 & 21-19N-14W X201800652 MSSP (16-19N-14W) X672240 MSSP (21-19N-14W) COMPL. INT. (21-19N-14W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (16-19N-14W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL NO OP. NAMED REC 2/12/2018 (DENTON)
SPACING - 672240	2/6/2018 - G58 - (640)(HOR) 21-19N-14W EST MSSP, OTHER COMPL. INT. NCT 660' FB (COEXIST SP. ORDER 222494 MSSSD; SP. ORDER 259552 CSTR)

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