API NUMBER: 051 24317

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: 04/05/2018
Expiration Date: 10/05/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 9N Rge: 6W County: GRADY

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

SECTION LINES: **261 262**

Lease Name: KINGS CANYON 27-9-6 Well No: 1H Well will be 261 feet from nearest unit or lease boundary.

 Operator Name:
 JONES ENERGY LLC
 Telephone:
 5123282953
 OTC/OCC Number:
 21043
 0

JONES ENERGY LLC

807 LAS CIMAS PKWY STE 350

AUSTIN, TX 78746-6193

EUGENE CORLEY, TRUSTEE 1133 COUNTY STREET 2890

TUTTLE OK 73089

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

Name Depth Name Depth MISSISSIPPIAN 1 10760 6 2 WOODFORD 11096 7 3 HUNTON 11243 8 4 9 10 201706950 Spacing Orders: Location Exception Orders: 201706952 Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 15979 Ground Elevation: 1300 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 330

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: 18-34121 Chlorides Max: 5000 Average: 3000 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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: DOG CREEK

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: CPit Location is NON HSA

Pit Location Formation: DOG CREEK

HORIZONTAL HOLE 1

Rge 6W Sec 27 Twp 9N County **GRADY** SW Spot Location of End Point: S2 SW SW Feet From: SOUTH 1/4 Section Line: 165 WEST Feet From: 1/4 Section Line: 330

Depth of Deviation: 10282 Radius of Turn: 477 Direction: 179

Total Length: 4948

Measured Total Depth: 15979

True Vertical Depth: 11298

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

MEMO

Category Description

DEEP SURFACE CASING 3/16/2018 - 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 3/16/2018 - 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

3/16/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201706950 3/22/2018 - G58 - (E.O.)(640)(HOR) 27-9N-6W

EST. HNTN, MSSP, WDFD

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

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

(COEXIST SP. ORDER 168898 MSSLM, HNTN; SP. ORDER 205368 WDFD)

REC 4/3/2018 (NORRIS)

Category Description

PENDING CD - 201706952

3/22/2018 - G58 - (E.O.) 27-9M-6W X201706950 MSSP, WDFD, HNTN COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL NO OP. NAMED REC 4/3/2018 (NORRIS)

