API NUMBER: 049 25183

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: 01/19/2018
Expiration Date: 07/19/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 3N Rge: 3W County: GARVIN

SPOT LOCATION: SW SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST SECTION LINES: 250 2325

Lease Name: ADAMS Well No: 1-22X15H Well will be 250 feet from nearest unit or lease boundary.

Operator RED ROCKS OIL & GAS OPERATING LLC Telephone: 4056003065 OTC/OCC Number: 22649 0

RED ROCKS OIL & GAS OPERATING LLC 1141 N ROBINSON AVE STE 301

OKLAHOMA CITY, OK 73103-4919

W.V. & JO ANN ADAMS

18375 NORTH COUNTY ROAD 3130

ELMORE CITY OK 73433

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

Name Depth Name Depth WOODFORD 1 9034 6 2 7 8 3 4 9 10 662185

Spacing Orders: 662185 Location Exception Orders: Increased Density Orders:

201708181 201708183

Pending CD Numbers:

201800315

201708179

Total Depth: 20613 Ground Elevation: 1051 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

Chlorides Max: 5000 Average: 3000

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: PURCELL

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33661

Special Orders:

H. SEE MEMO

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: PURCELL

HORIZONTAL HOLE 1

Rge 3W County Sec. 15 Twp 3N **GARVIN** NW Spot Location of End Point: ΝE NE ΝE Feet From: NORTH 1/4 Section Line: 165 WEST Feet From: 1/4 Section Line: 2560

Depth of Deviation: 8763 Radius of Turn: 1000

Direction: 358

Total Length: 10279

Measured Total Depth: 20613

True Vertical Depth: 9034

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

Notes:

MEMO

Category Description

DEEP SURFACE CASING 1/8/2018 - 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 1/8/2018 - 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

1/8/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201708179 1/9/2018 - G57 - (E.O.)(640)(HOR) 15-3N-3W

EXT 662185 WDFD

POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL

REC 1-5-2018 (MINMIER)

Category Description

PENDING CD - 201708181 1/9/2018 - G57 - (E.O.) 22 & 15-3N-3W

ESTABLISH MULTIUNIT HORIZONTAL WELL

X662185 WDFD 22-3N-3W X201708179 WDFD 15-3N-3W

50% 22-3N-3W 50% 15-3N-3W

RED ROCKS OIL & GAS OPERATING, LLC.

REC 1-5-2018 (MINMIER)

PENDING CD - 201708183 1/9/2018 - G57 - (E.O.) 22 & 15-3N-3W

X662185 WDFD 22-3N-3W X201708179 WDFD 15-3N-3W

SHL (22-3N-3W) NCT 250' FSL, NCT 2325' FEL

COMPL. INT. (22-3N-3W) NCT 165' FSL, NCT 0' FNL, NCT 2460' FWL COMPL. INT. (15-3N-3W) NCT 0' FSL, NCT 165' FNL, NCT 2640' FWL

NO OP. NAMED

REC 1-5-2018 (MINMIER)

PENDING CD - 201800315 1/19/2018 - G57 - (E.O.) 22-3N-3W

X662185 WDFD 1 WELL

NO OP. NAMED MH 1-19-2018

SPACING - 662185 1/9/2018 - G57 - (640)(HOR) 22-3N-3W

EST OTHERS

EXT 655157 WDFD, OTHER

POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL

(COEXIST SP. ORDER #346320 WDFD E2 NE4 & ORDER #518201 WDFD E2 SE4)

SURFACE HOLE LOCATION 1/19/2018 - G57 - SHL CHANGED TO 250' FSL, 2325' FEL PER SURVEY PLAT

