

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

API NUMBER: 153 23626

Approval Date: 06/20/2018

Expiration Date: 12/20/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 20N Rge: 17W

County: WOODWARD

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 200 1980

Lease Name: PATSY 13/12-20-17

Well No: 3H

Well will be 200 feet from nearest unit or lease boundary.

Operator Name: TAPSTONE ENERGY LLC

Telephone: 4057021600

OTC/OCC Number: 23467 0

TAPSTONE ENERGY LLC
100 E MAIN ST
OKLAHOMA CITY, OK 73104-2509

JAMES & PATSY SMART
57041 S. COUNTY ROAD 2265
SEILING OK 73663

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

| | Name | Depth | Name | Depth |
|---|----------------------------|-------|------|-------|
| 1 | MISSISSIPPIAN (EX CHESTER) | 8790 | 6 | |
| 2 | MISSISSIPPIAN | 9400 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 672107
661944
678935

Location Exception Orders: 678814

Increased Density Orders: 676593
676594

Pending CD Numbers:

Special Orders:

Total Depth: 20100

Ground Elevation: 1709

Surface Casing: 410

Depth to base of Treatable Water-Bearing FM: 260

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: 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: 18-34611
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 12 Twp 20N Rge 17W County WOODWARD

Spot Location of End Point: N2 N2 NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 8868

Radius of Turn: 750

Direction: 360

Total Length: 10054

Measured Total Depth: 20100

True Vertical Depth: 9400

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

Notes:

Category

Description

HYDRAULIC FRACTURING

5/29/2018 - 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 - 676593

6/20/2018 - G75 - 13-20N-17W
X661944 MSSP
3 WELLS
TAPSTONE ENERGY, LLC
4-20-2018

INCREASED DENSITY - 676594

6/20/2018 - G75 - 12-20N-17W
X672107 MSNLC
3 WELLS
TAPSTONE ENERGY, LLC
4-20-2018

INTERMEDIATE CASING

5/29/2018 - 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

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

153 23626 PATSY 13/12-20-17 3H

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 |
|-----------------------------|---|
| LOCATION EXCEPTION - 678814 | 6/20/2018 - G75 - (I.O.) 13 & 12-20N-17W X661944 MSSP 13-20N-17W X672107 MSNLC 12-20N-17W COMPL. INT. (13-20N-17W) NCT 165' FSL, NCT 0' FNL, NCT 1980' FWL COMPL. INT. (12-20N-17W) NCT 0' FSL, NCT 165' FNL, NCT 1980' FWL TAPSTONE ENERGY, LLC 6-6-2018 |
| MEMO | 5/29/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH CANADIAN RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT |
| SPACING - 661944 | 6/20/2018 - G75 - (640)(HOR) 13-20N-17W VAC OTHER VAC 129845 STGV, STLS, SPWR, OSGE VAC 142459 CSTR EXT 658187 MSSP COMPL. INT. NLT 660' FB |
| SPACING - 672107 | 6/20/2018 - G75 - (640)(HOR) 12-20N-17W VAC 129845 STGV, STLS, SPWR, OSGE EST MSNLC COMPL. INT. NLT 660' FB |
| SPACING - 678935 | 6/20/2018 - G75 - (I.O.) 13 & 12-20N-17W EST MULTIUNIT HORIZONTAL WELL X661944 MSSP 13-20N-17W X672107 MSNLC 12-20N-17W 50% 13-20N-17W 50% 12-20N-17W TAPSTONE ENERGY, LLC 6-8-2018 |

WOODWARD

County, Oklahoma

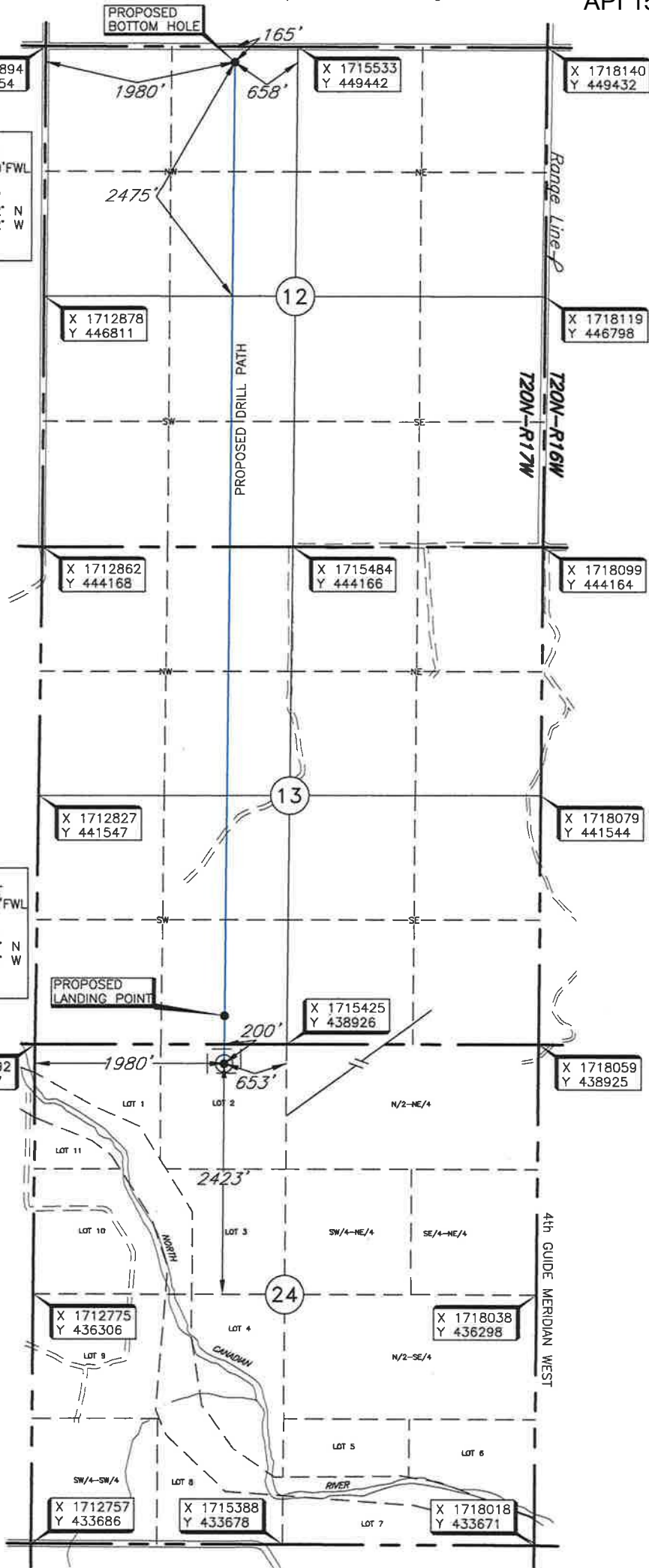
200'FNL - 1980'FWL Section 24 Township 20N Range 17W I.M.

API 153-23626



LANDING POINT, BOTTOM HOLE AND DRILL PATH
INFORMATION PROVIDED BY OPERATOR LISTED,
NOT SURVEYED.

PROPOSED
BOTTOM HOLE
165'FNL-1980'FWL
36°13'49.3" N
98°58'00.3" W
36.230353632" N
98.966744122" W
X=1714873
Y=449280



Operator: TAPSTONE ENERGY
Lease Name: PATSY 13/12-20-17

Well No.: 3H

ELEVATION:
1709' Gr. at Stake

Topography & Vegetation Loc. fell in rolling sandy hill

Good Drill Site? Yes

Reference Stakes or Alternate Location
Stakes Set None

Best Accessibility to Location From North off lease road
Distance & Direction From Richmond, OK, go ± 0.4 mi. East, then ± 3.0 mi. North, then ± 5.0 mi. East,
then ± 2.0 mi. South to the NE Cor. of Sec 24-T20N-R17W.

THE INFORMATION SHOWN HEREIN IS
FOR CONSTRUCTION PURPOSES ONLY

DATUM: NAD-27
LAT: 36°12'04.9" N
LONG: 98°58'00.3" W
LAT: 36.201358510° N
LONG: 98.966736379° W
STATE PLANE
COORDINATES (US FEET):
ZONE: OK NORTH
X: 1714770
Y: 438726

Invoice # 291959 Date of Drawing: Apr. 16, 2018
Date Staked: Apr. 12, 2018 AC

CERTIFICATE:

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. Howell
Oklahoma Lic. No. 1433

