

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

API NUMBER: 063 24808 A

Approval Date: 06/15/2018
Expiration Date: 12/15/2018

Horizontal Hole Oil & Gas

Amend reason: AMD WELL NUMBER & CHANGE TO HORIZONTAL WELL

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 6N Rge: 10E County: HUGHES
SPOT LOCATION: ☐ NE ☐ SW ☐ NE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 1804 724

Lease Name: THE DUKE Well No: 1-27/34H Well will be 724 feet from nearest unit or lease boundary.
Operator Name: CANYON CREEK ENERGY OPERATING LLC Telephone: 9185616737 OTC/OCC Number: 23443 0

CANYON CREEK ENERGY OPERATING LLC
2431 E 61ST ST STE 400
TULSA, OK 74136-1237

DEREK E. PACE & DELLA M. WILSON
P.O. BOX 175
752 5TH ST.
CALVIN OK 74531

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	4930	6	
2	WOODFORD	5300	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201804477
201804478
201804481
201804482

Special Orders:

Total Depth: 12359 Ground Elevation: 734 Surface Casing: 1000 Depth to base of Treatable Water-Bearing FM: 240

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

Type of Mud System: AIR

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: 4

Liner not required for Category: 4

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

F. Haul to Commercial soil farming facility: Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 551649

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: 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 ALLUVIAL

Pit Location Formation: ALLUVIUM

PIT 3 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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 34 Twp 6N Rge 10E County HUGHES

Spot Location of End Point: S2 S2 SW SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 4442

Radius of Turn: 875

Direction: 170

Total Length: 6542

Measured Total Depth: 12359

True Vertical Depth: 5300

End Point Location from Lease,

Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

6/14/2018 - 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

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063 24808 THE DUKE 1-27/34H

Category	Description
HYDRAULIC FRACTURING	<p>7/5/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
MEMO	<p>6/14/2018 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
PENDING CD - 201804477	<p>6/15/2018 - G57 - (I.O.) 27 & 34-6N-10E EST MULTIUNIT HORIZONTAL WELL X201804481 MSSP, WDFD 27-6N-10E X201804482 MSSP, WDFD 34-6N-10E (WDFD IS AN ADJACENT COMMON SOURCE OF SUPPLY TO THE MSSP) 28% 27-6N-10E 72% 34-6N-10E CANYON CREEK OPERATING, LLC. REC 6-25-2018 (JOHNSON)</p>
PENDING CD - 201804478	<p>6/15/2018 - G57 - (I.O.) 27 & 34-6N-10E X201804481 MSSP, WDFD 27-6N-10E X201804482 MSSP, WDFD 34-6N-10E COMPL. INT. (27-6N-10E) NFT 2000' FSL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (34-6N-10E) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL CANYON CREEK OPERATING, LLC. REC 6-25-2018 (JOHNSON)</p>
PENDING CD - 201804481	<p>6/15/2018 - G57 - (640)(HOR) 27-6N-10E EST MSSP, WDFD, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL REC 6-25-2018 (JOHNSON)</p>
PENDING CD - 201804482	<p>6/15/2018 - G57 - (640)(HOR) 34-6N-10E EXT 618119 MSSP, WDFD, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST WITH SP. ORDER #530169 CNEY, WDFD) REC 6-25-2018 (JOHNSON)</p>

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

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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.