

API NUMBER: 051 24210

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

Approval Date: 10/30/2017
Expiration Date: 04/30/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 5N Rge: 5W County: GRADY
SPOT LOCATION: ☐ NE ☐ NW ☐ NW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2396 566

Lease Name: JONES

Well No: 1-13H

Well will be 566 feet from nearest unit or lease boundary.

Operator Name: 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

GARY J. & JANICE W. JONES
2446 COUNTY ROAD 1460
LINDSAY OK 73052

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

	Name	Depth	Name	Depth
1	WOODFORD	10190	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 662506

Location Exception Orders: 666122

Increased Density Orders:

Pending CD Numbers: 201706904

Special Orders:

Total Depth: 15360

Ground Elevation: 1021

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 60

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

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

PERMIT NO: 17-32630

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 13 Twp 5N Rge 5W County GRADY

Spot Location of End Point: NE NE NE SE

Feet From: SOUTH 1/4 Section Line: 2350

Feet From: EAST 1/4 Section Line: 265

Depth of Deviation: 9425

Radius of Turn: 750

Direction: 91

Total Length: 4757

Measured Total Depth: 15360

True Vertical Depth: 10255

End Point Location from Lease,

Unit, or Property Line: 265

Notes:

Category

Description

DEEP SURFACE CASING

9/20/2017 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

9/20/2017 - 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

LOCATION EXCEPTION - 666122

10/5/2017 - G75 - (I.O.) 13-5N-5W
X662506 WDFD
SHL 2396' FSL, 566' FWL
COMPL. INT. NCT 2350' FSL, NCT 265' FWL, NCT 265' FEL
RED ROCKS OIL & GAS OP., LLC
7-19-2017

MEMO

9/20/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

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.

051 24210 JONES 1-13H

Category

Description

PENDING CD - 201706904

10/20/2017 - G75 - (E.O.) 13-5N-5W
X165:10-3-28(C)(2)(B) WDFD (JONES 1-13H)
MAY BE CLOSER THAN 600' TO CORA 1-13 & CHARLES 3-13
RED ROCKS OIL & GAS OP., LLC
REC 10-20-2017 (THOMAS)

SPACING - 662506

10/5/2017 - G75 - (640)(HOR) 13-5N-5W
EXT 636309 WDFD
POE TO BHL NCT 165' TO NL & SL, NCT 330' TO EL & WL
(COEXIST SP. ORDER # 347618 WDFD NW4; ORDER # 350214/532304 WDFD SW4; ORDER #
431679 WDFD S2 NE4 & N2 SE4)

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.

API 051-24210

APPLICATION TO DRILL, RECOMPLETE OR REENTER

FORM 1000
REV. 2014

FILE ORIGINAL ONLY

PLEASE TYPE OR USE BLACK INK

1. OTC/OCC OPERATOR NUMBER 22649
2. API NUMBER

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

BATCH NUMBER (OCC USE ONLY)

3. NOTICE OF INTENT TO:

(CHECK ONLY ONE)

☒ DRILL ☐ RECOMPLETE ☐ REENTER ☐ DEEPEN ☐ AMEND - REASON

NOTE: ATTACH COPY OF 1002-A IF RECOMPLETION OR REENTRY.

4. TYPE OF DRILLING OPERATION >>>>>>> (NOTE: If directional or horizontal, see reverse side for bottom hole location)

A. ☐ STRAIGHT HOLE ☐ DIRECTIONAL HOLE ☒ HORIZONTAL HOLEB. ☒ OIL/GAS ☐ INJECTION ☐ DISPOSAL ☐ WATER SUPPLY ☐ STRAT TEST ☐ SERVICE WELL

5. WELL LOCATION:

SECTION 13	TOWNSHIP 5N	RANGE 5W	COUNTY GRADY
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SPOT LOCATION: NE 1/4	1/4	NW 1/4	1/4	SW 1/4	FEET FROM QUARTER from SOUTH LINE from WEST LINE 2396 566
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7. Well will be 566' feet from nearest unit or property boundary.

8. LEASE NAME: Jones WELL NUMBER: 1-13H

9. NAME OF OPERATOR Red Rocks Oil & Gas Operating LLC EMAIL ADDRESS: redrocksoilandgas@redrockresources.com

ADDRESS 1141 N Robinson Ave., Ste 301 PHONE (AC/NUMBER) 405-600-3065

CITY Oklahoma City STATE OK ZIP CODE 73103

10. SURFACE OWNER (ONE ONLY, ATTACH SHEET FOR ADDITIONAL OWNERS)

Gary J. Jones and Janice W. Jones

ADDRESS 2446 County Road 1460

CITY Lindsay STATE OK ZIP CODE 73052

14. LIST TARGET FORMATIONS AND DEPTHS OF EACH BELOW (LIMITED TO TEN)

1) Woodford (10,190')

2)

3)

4)

5)

6)

7)

8)

9)

10)

TEMPORARY AUTHORIZATION
TO DRILL

Expiration Date: 11-1-2017

Signature: Virginia Hullinger

165:10-3-1-1

15. SPACING ORDER NUMBER(S) AND SIZE UNIT(S):

662506 640 Acres

16. PENDING APPLICATION C.D. NO.

201706904

17. LOCATION EXCEPTION ORDER NO.

666122

18. INCREASED DENSITY ORDER NO.

N/A

19. TOTAL DEPTH

15,360

20. GROUND ELEV.

1,021

21. BASE OF TREATABLE WATER

80'

22. SURFACE CASING

1,500

23. ALT CASING PROG USED?

Y X N

24. ALTERNATIVE CASING PROCEDURE, check box and fill in blank (AFFIDAVIT REQUIRED, see reverse side, line 31.)

A. Cement will be circulated from total depth to ground surface on the production casing string.

B. Cement will be circulated from _____ depth to _____ depth by use of a two stage cementing tool.

25.1. PIT INFORMATION: Using more than one pit or mud system? ☒ Y ☐ N If yes, fill out line 25.2 on top reverse side.A. TYPE OF MUD SYSTEM: ☒ WATER BASED ☐ OIL BASED ☐ GAS BASED (AIR DRILL)

B. EXPECTED MUD CHLORIDE CONTENT: maximum: 5000 ppm; average: 3000 ppm.

C. TYPE OF PIT SYSTEM: ☐ on-site ☐ off-site ☒ closed If off-site, specify location: _____D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? ☒ Y ☐ NE. WITHIN 1 MILE OF MUNICIPAL WATER WELL? ☒ Y ☐ NF. WELLHEAD PROTECTION AREA? ☐ Y ☒ N

Off-Site Pit No. _____

26.1

A. CATEGORY 1A 1B 2 3 4 ☒ C

OCC USE ONLY

B. PIT LOCATION: Alluvial Plain ☐ Terrace Deposit ☒C. Special area or field rule? ☐F. SOIL COMPACTED LINER REQUIRED? ☐ Y ☒ ND. DEEP SCA? ☒ Y ☐ NOther H.S.A. ☐ Non-H.S.A. ☒

Fm: Duncan

E. CBL required? ☐ Y ☒ NG. 20 mil GEOMEMBRANE LINER REQUIRED? ☐ Y ☒ N

27. PROPOSED METHOD FOR DISPOSAL OF DRILLING FLUIDS (MUST BE COMPLETED)

A. Evaporation/dewater and backfilling of reserve pit.

B. Public Landfill: Location _____

C. Annular Injection (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.)

PERMIT NO. _____

D. One time land application (REQUIRES PERMIT)

PERMIT NO. 17-32630

E. Haul to Commercial pit facility; Specify site: _____

Order No. _____

F. Haul to Commercial soil farming facility; Specify site: _____

Order No. _____

G. Haul to recycling/re-use facility; Specify site: _____

Order No. _____

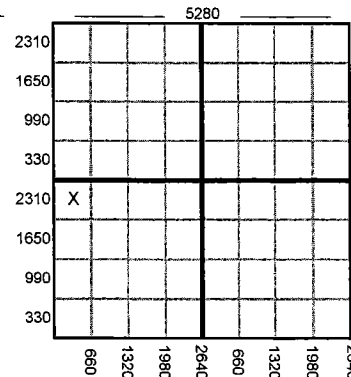
H. Other, Specify: Pit 1+2-closed system = steel pits (Required - Washita River); Pit 2 - 08m to vendor, 08m cuttings per Dist. by

I hereby certify I am authorized to submit this two page application prepared by me or under my supervision.

The facts and proposals made herein are true, correct and complete to the best of my knowledge and belief.

SIGNATURE: Randy Stalcup	NAME (Print or Type) Randy Stalcup	PHONE (AC/NO.) 405-600-3065	FAX (AC/NO.) 405-600-3063	DATE: 9/19/17
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NOTICE: Approval is void if operations have not commenced within six months of the date of approval. An approved permit must be posted at the location during drilling and completion operations. File the Form 1001A, Spud Report, within fourteen days of commencement of operations.



13
SEC
TOWNSHIP
5N
RANGE
5W
1-13H

NOTIFY DISTRICT OFFICE 24 HOURS PRIOR TO CEMENTING SURFACE CASING.

25.2. PIT INFORMATION:

A. TYPE OF MUD SYSTEM: WATER BASED ☒ OIL BASED ☐ GAS BASED (AIR DRILL) ☐
 B. EXPECTED MUD CHLORIDE CONTENT: maximum: 300,000 ppm; average: 200,000 ppm.
 C. TYPE OF PIT SYSTEM: on-site ☐ off-site ☒ closed ☐ If off-site, specify location: _____
 D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? ☒ Y ☐ N
 E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? ☐ Y ☒ N
 F. WELLHEAD PROTECTION AREA? ☐ Y ☒ N Off-Site Pit No. _____

26.2 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C Fm: Duncan
 B. PIT LOCATION: Alluvial Plain Terrace Deposit ☒ Bedrock Aquifer ☐ Other H.S.A. ☐ Non-H.S.A. ☐
 C. Special area or field rule? ☐ D. DEEP SCA? ☒ Y ☐ N E. CBL? ☐ Y ☒ N
 F. SOIL COMPACTED LINER REQUIRED? ☐ Y ☒ N G. 20 mil GEOMEMBRANE LINER REQUIRED? ☐ Y ☒ N

29 Bottom Hole Location SEC TWP RGE COUNTY
 for Directional Hole:

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from NORTH LINE from EAST LINE
 SECTION LINES:

Measured Total True Vertical BHL from nearest Lease, Unit, Or Property Line:
 Depth Depth

30. Bottom Hole Location for Horizontal Hole: (LATERALS)

LATERAL #1: SEC 13 TWP 5N RGE 5W COUNTY GRADY

SPOT LOCATION: NE 1/4 NE 1/4 SE 1/4 FEET FROM QUARTER from SOUTH LINE from EAST LINE
 SECTION LINES: 2,350 265

Depth of Deviation Radius of Turn Direction Total Length
9425 750 91 4757

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line: 265'

LATERAL #2: SEC TWP RGE COUNTY

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:

Depth of Deviation Radius of Turn Direction Total Length

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

LATERAL #3: SEC TWP RGE COUNTY

SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:

Depth of Deviation Radius of Turn Direction Total Length

Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

31. AFFIDAVIT FOR ALTERNATIVE CASING PROGRAM

(Signature on front of this form attests to this affidavit)

1. This well WILL WILL NOT penetrate any known lost circulation zones.
2. During the drilling of this well, withdrawals from any water well within 1/4 mile WILL WILL NOT exceed 50 gallons per minute.
3. The projected depth of the well IS IS NOT less than 100 feet from the top of any enhanced recovery project or gas storage facility.
4. List the following for all water wells within 1/4 mile of this well. (Information concerning some water wells may be obtained from the OKLAHOMA WATER RESOURCES BOARD, 3800 N. Classen Blvd., Oklahoma City, OK 73118). IF NO WATER WELLS FOUND, SO STATE. (ATTACH ADDITIONAL SHEET IF NECESSARY)

Name of Owner/Operator Address of Owner/Operator Location (Nearest 1/4 1/4 1/4 1/4) Depth of Well

5. A cement bond log is required to be run and submitted from not less than 100 feet below the base of the treatable water-bearing formation to the surface OCC USE ONLY
6. If casing depth is more than 250 feet deeper than base of the treatable water-bearing formation, operator must submit a letter of request listing reasons and precautions to be taken.

INTENT TO DRILL CHECKLIST
 APPROVED REJECTED

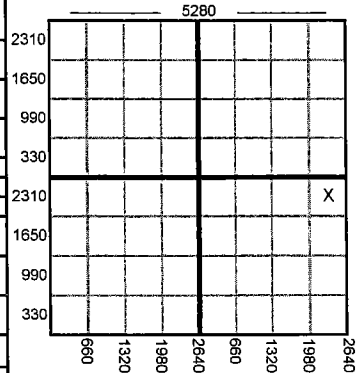
SD ☐

1. SURETY 4/19/18
 A. NONE filed.
 B. EXPIRED: Date _____
 C. OUTSTANDING CONTEMPT ORDER.

4. GEOLOGY

DO NOT WRITE INSIDE THIS BOX

28. Locate Bottom Hole



1. If more than two drainholes are proposed, attach separate sheet indicating the necessary information.
2. Direction must be stated in degrees azimuth.
3. Please note the horizontal drainhole and its end point must be located within the legal boundaries of the lease or spacing unit. Directional surveys are required for all drainholes and directional wells.

DATE: 09/20/2017 TIME: 09:13
 CASE: 000000000 CASHIER: CR3
 PAYER: RED ROCKS OIL & GAS OPERATING
 CHECK: 105661 \$73.00
 46 Intent to Drill
 RECEIPT 1803120311 OKLA CORP COMM

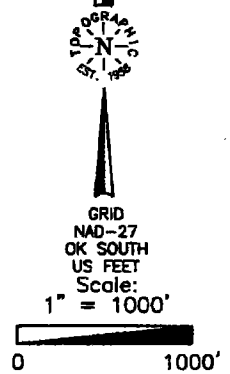
API 051-24210

Certificate of Authorization No. 1293 LS

GRADY

County, Oklahoma

2396' FSL-566' FWL Section 13 Township 5N Range 5W I.M.



This information was gathered with a GPS receiver with ± 1 foot Horiz./Vert. accuracy.