API NUMBER: 073 25570 B

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

| Approval Date: | 08/09/2018 |
|------------------|------------|
| Expiration Date: | 02/09/2019 |

185 feet from nearest unit or lease boundary.

23991 0

OTC/OCC Number:

Horizontal Hole Oil & Gas

PERMIT TO DRILL

| WELL LOCATION | : Sec: | 33 | Twp: 20N | Rge: | 9W | Count | y: KINO | GFISHER | | |
|-------------------|--------|-------|-----------|-------|------|--------------------|---------|---------|-------|------------|
| SPOT LOCATION | : S2 | SE | SE | SE | | FEET FROM QUARTER: | FROM | SOUTH | FROM | EAST |
| | | | | | | SECTION LINES: | | 185 | | 330 |
| Lease Name: | ROSCOE | 20-09 | 9-33 | | | w | ell No: | 1H | | |
| Operator Name: | CHIS | HOLM | OIL & GAS | OPERA | TING | LLC | | Teleph | hone: | 9184886400 |

EDWARD MINERALS LLC

1808 EAST WOODLAND CIRCLE

Well will be

MUSKOGEE OK 74403

CHISHOLM OIL & GAS OPERATING LLC 6100 S YALE AVE STE 1700

TULSA, OK 74136-1921

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

| | Name | Depth | Name | Depth |
|-----------------|---------------|----------------------------------|------|---------------------------|
| 1 | MISSISSIPPIAN | 7564 | 6 | |
| 2 | | | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |
| Spacing Orders: | 659452 | Location Exception Orders: 66159 | 92 | Increased Density Orders: |

Pending CD Numbers: Special Orders:

Total Depth: 13100 Ground Elevation: 1164 Surface Casing: 400 Depth to base of Treatable Water-Bearing FM: 320

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: 3500 Average: 1500

Is depth to top of ground water greater than 10ft below base of pit? $\quad \mbox{Y}$

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: 17-32302

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

MAJOR Sec 33 Twp 20N Rge 9W County Spot Location of End Point: NW NF NE NE Feet From: NORTH 1/4 Section Line: 165 Feet From: EAST 1/4 Section Line: 380

Depth of Deviation: 7500 Radius of Turn: 578 Direction: 359

Total Length: 4692

Measured Total Depth: 13100

True Vertical Depth: 8078

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

Notes:

Category Description

HYDRAULIC FRACTURING 8/3/2018 - 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

LOCATION EXCEPTION - 661592 8/9/2018 - G57 - (I.O.) 33-20N-9W

X659452 MSSP

COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 380' FEL

STAGHORN PETROLEUM LLC ** 3-2-2017

**S/B CHISHOLM OIL & GAS OPERATING LLC; TO BE CORRECTED AT HEARING FOR FINAL

ORDER PER OPERATOR

SPACING - 659452 8/9/2018 - G57 - (640)(HOR) 33-20N-9W

EXT 650891 MSSP, OTHER

EXT OTHER COMPL. INT. NLT 60' FB

(COEXIST SP. ORDER 94314/94878 MRMC, OTHER; ORDER 224027 MRMC, OTHER; 234120

MNNG)