API NUMBER: 017 25109

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: 11/15/2017
Expiration Date: 05/15/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 31	Twp:	11N	Rge: 8W	County:	CANADIAN
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SPOT LOCATION: NW NE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: **250 2100**

Lease Name: SHELLY Well No: 7H-3106X Well will be 250 feet from nearest unit or lease boundary.

Operator CIMAREX ENERGY CO Telephone: 9185851100 OTC/OCC Number: 21194 0

CIMAREX ENERGY CO

202 S CHEYENNE AVE STE 1000

TULSA, OK 74103-3001

AAA LAND INVESTMENTS, LLC 15141 COUNTY STREET 2720

MINCO OK 73059

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

Name Depth Name Depth MISSISSIPPI LIME 1 12006 6 2 MISSISSIPPIAN 12268 7 3 WOODFORD 12583 8 9 5 10 663653 Spacing Orders: Location Exception Orders: Increased Density Orders: 560154

Pending CD Numbers: 201706447 Special Orders:

Total Depth: 22731 Ground Elevation: 1436 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 350

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: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED
Chlorides Max: 5000 Average: 3000

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: MARLOW

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33205

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

HORIZONTAL HOLE 1

GRADY Sec 06 Twp 10N Rge 8W County Spot Location of End Point: SE SW SW SE SOUTH 1/4 Section Line: 150 Feet From: Feet From: EAST 1/4 Section Line: 2272

Depth of Deviation: 12137 Radius of Turn: 544 Direction: 176

Total Length: 9739

Measured Total Depth: 22731 True Vertical Depth: 12658 End Point Location from Lease. Unit, or Property Line: 150

Notes:

Description Category

DEEP SURFACE CASING 11/3/2017 - 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 11/3/2017 - 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

PENDING CD - 201706438 11/14/2017 - G60 - (I.O.) 31-11N-8W & 6-10N-8W

EST MULTIUNIT HORIZONTAL WELL X663653 (31-11N-8W) MSSP, WDFD X138217 (6-10N-8W) MSSLM X560154 (6-10N-8W) WDFD

(MSSP AND MSSLM ARE ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD)

50% 31-11N-8W 50% 6-10N-8W

CIMAREX ENERGY, CO. REC. 10/31/17 (JOHNSON)

PENDING CD - 201706439 11/14/2017 - G60 - (E.O.) 31-11N-8W & 6-10N-8W

X663653 (31-11N-8W) MSSP, WDFD X138217 (6-10N-8W) MSSLM X560154 (6-10N-8W) WDFD

COMPL. INT. (31-11N-8W) NCT 150' FNL, NCT 0' FSL, NCT 1800' FEL COMPL. INT. (6-10N-8W) NCT 0' FNL, NCT 150' FSL, NCT 1800' FEL

CIMAREX ENERGY, CO. REC. 10/31/17 (JOHNSON)

PENDING CD - 201706446 11/14/2017 - G60 - 6-11N-8W

X663653 WDFD 8 WELLS NO OP. NAMED

REC. 10/31/17 (JOHNSON)

PENDING CD - 201706447 11/14/2017 - G60 - 31-11N-8W

X663653 WDFD 8 WELLS NO OP. NAMED

REC. 10/31/17 (JOHNSON)

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.

017 25109 SHELLY 7H-3106X

Category Description

PENDING CD - 201706449 11/14/2017 - G60 - (E.O.) 31-11N-8W & 6-10N-8W

X165:10-3-28(C)(2)(B) WDFD

MAY BE CLOSER THAN 600' TO ANY OF THE SHELLY 1H-3106X, SHELLY 2H-3106X, SHELLY 3H-3106X, SHELLY 5H-3106X, SHELLY 5H-3106X, SHELLY 6H-3106X, SHELLY 6H-3106X, SHELLY 8H

-3106X, SHELLY 9H-3106X WELLS

NO OP. NAMED

REC. 10/2/17 (JOHNSON)

SPACING - 138217 11/14/2017 - G60 - (640) 6-10N-8W

EXT OTHERS

EXT 98732 MSSLM, OTHERS

SPACING - 560154 11/14/2017 - G60 - (640) 6-10N-8W

EXT 144223 WDFD, OTHER EXT OTHER EST OTHER

SPACING - 663653 11/14/2017 - G60 - (640)(HOR) 31-11N-8W

VAC 138217 MSSLM, CSTR

VAC 144223 WDFD EST MSSP, WDFD

POE TO BHL (MSSP) NCT 660' FB

POE TO BHL (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

SEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS

CANADIAN/GRADY

County, Oklahoma 6709 NORTH CLASSEN County, Oklahoma 3505125109 2100'FWL _8W_I.M. 250'FNL <u>31</u> Section Township Range 250' X=1973955 Y=142768 X=1971466 Y=142757 X=197659. Y=142777 information shown herein construction purposes ONLY 2100 LOT 5 OGRADA ON-O 1958 2385 E/2-NW/4 LANDING POINT 150'FNL-2272'FEL NAD-27 (US Feet) 35'23'30.4" N 98'05'10.1" W 35.391765255' N 98.086148742' W X=1974321 Y=142620 ß. LOT 6 GRID NAD-27 OK NORTH US Feet ġ X=1976595 Y=140140 500 1000 X=1971469 Y=140126 31 PROPOSED DRILL 711N - R Distance & from Hwy Good Operator: Lease Name: Topography & Vegetation LOT t Accessibility to Loc ance & Direction n Hwy Jct or Town_ East, Drill ROW CIMAREX ENERGY Site? PATH then SHELLY FRange Line CANADIAN E/2-SW/4 ±0.5 Location ∄. Yes From South, Loc. CO. LOT 7 8 CANADIAN CO. fell Township Line From Caddo—Canadian then R8W Ξ. T10N R8W GRADY CO. North ±1.0 terraced X=1971472 Y=137494 X=1973973 Y=137498 11 // Reference Stakes of Stakes Set None ∄. off county LOT 3 LOT 2 LOT 1 // LOT 4 pasture East, 000 11 Line IIthen 9 B.J road RADY St. ±1.0 County 9 Hwy Well 18 Alternate LOT 5 m. No.:7H-3106X SE/4-NW/4 37 S/2-NE/4 Line North go Location X=1976616 Y=134849 +to 6 POINT, 0.5 BOTTOM HOLE 150'FSL-2272'FEL NAD-27 (US Feet) 35'21'49.1" N 98'05'09.5" W 35.363648978' N 98.085983843' W X=1974361 Y=132385 the -Range X=1971488 Y=134861 VI. BOTTOM HOLE AND DRILL PATH INFORMATION ∄. Z 1436' **ELEVATION:** North Line Cor. LOT 6 Gr. at Stake of on 0 TION Sec. Ş 2469 E/2-SW/4 ١ NOI 11 31-T11N-R8W \parallel NGVD29 37, 0 HLOT 7 BOTTOM // then =1971505 =132228 + 0 150 X=197663 Y=132241 PASTESSIONAL PASTESSIONAL Sep. 28, 2017 Date of Drawing: _ DATUM: NAU-2.
LAT: 35°23'29.3"N Invoice # 282218A Date Staked: Sep. 12, AC LONG: 98'05'19.2"W **CERTIFICATE:** information with a GPS oot Horiz./Vert. SURVE) 35.391480595° N THOMAS L LAT: __ Thomas L. Howell an Oklahoma Licensed Land LONG: 98.088679055° W HOWELL Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the STATE PLANE COORDINATES: 1433 foot (US Feet) information shown herein This gathered with ±1 fo OK NORTH ZONE: OKLAHOMA 1973567 142517 Oklahoma Lic. No.