

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

API NUMBER: 039 22528

Approval Date: 02/08/2018

Expiration Date: 08/08/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 15N Rge: 14W County: CUSTER

SPOT LOCATION: ☐ NE ☐ NW ☐ SE ☐ SW FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 278 750

Lease Name: IZABELLA

Well No: 1H-04

Well will be 278 feet from nearest unit or lease boundary.

Operator Name: MEP OPERATING LLC

Telephone: 7134521661

OTC/OCC Number: 24146 0

MEP OPERATING LLC
333 CLAY ST STE 2800
HOUSTON, TX 77002

MARTIN SMITH K3M FARMS, LLC.
P.O. BOX 1719
CLINTON OK 73601

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN (EX CHESTER)	11975	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 666591

Location Exception Orders: 667325

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16850

Ground Elevation: 1612

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 150

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: 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 BED AQUIFER

Pit Location Formation: MARLOW

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

PERMIT NO: 18-33900

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 BED AQUIFER

Pit Location Formation: MARLOW

HORIZONTAL HOLE 1

Sec 04 Twp 15N Rge 14W County CUSTER

Spot Location of End Point: S2 SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 11337

Radius of Turn: 382

Direction: 178

Total Length: 4913

Measured Total Depth: 16850

True Vertical Depth: 12303

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

Notes:

Category

Description

DEEP SURFACE CASING

2/8/2018 - 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

HYDRAULIC FRACTURING

2/8/2018 - 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

INTERMEDIATE CASING

2/8/2018 - 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.

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.

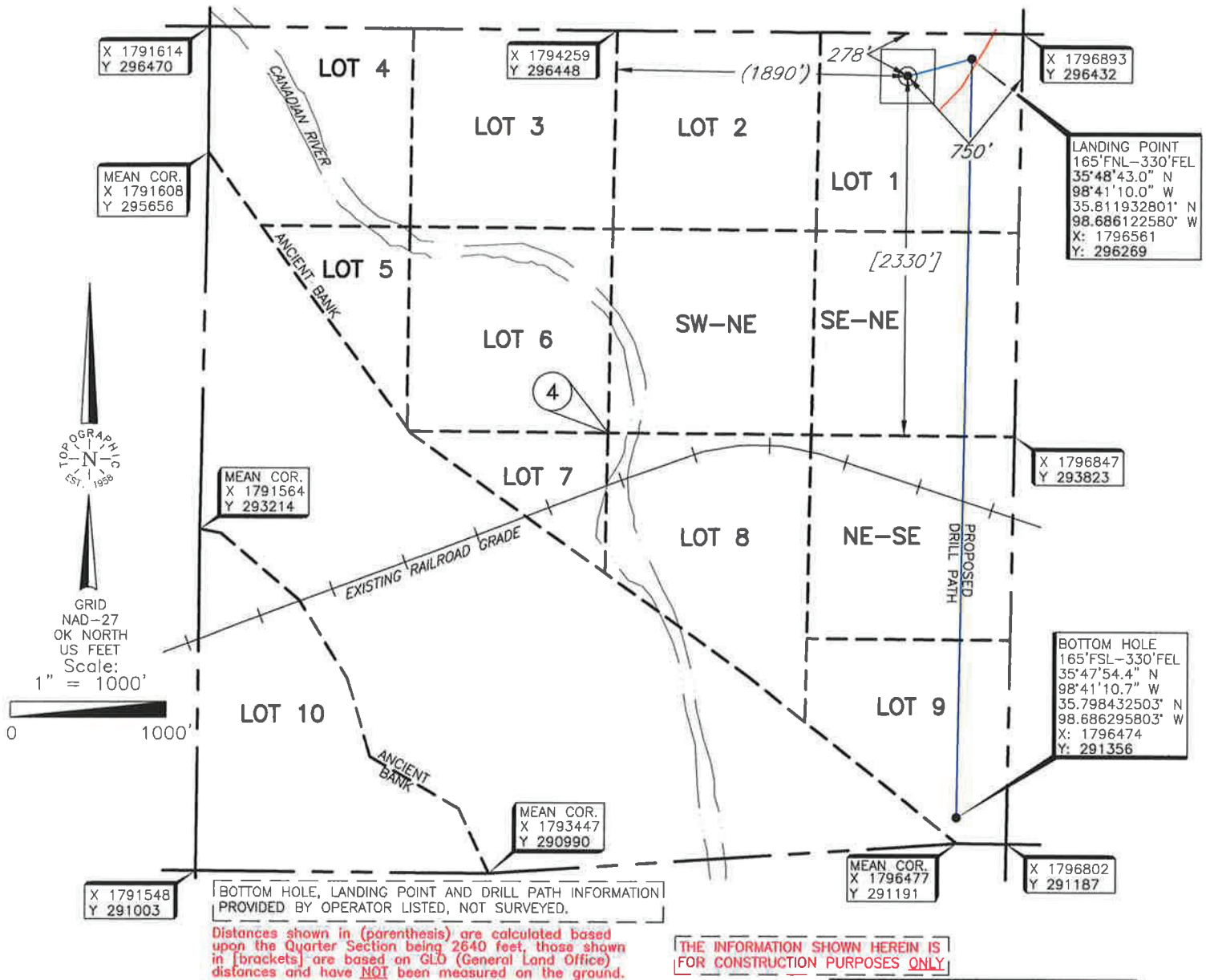
039 22528 IZABELLA 1H-04

Category	Description
LOCATION EXCEPTION - 667325	2/8/2018 - G57 - (I.O.) 4-15N-14W X666591 MSNLC COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FEL PALOMA OPERATING CO., INC. ** 8-23-2017 **S/B MEP OPERATING, LLC.; WILL BE CORRECTED AT HEARING FOR FINAL ORDER PER OPERATOR
MEMO	2/8/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - CANADIAN RIVER), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 666591	2/8/2018 - G57 - (640) 4-15N-14W EXT OTHER EST MSNLC
SURFACE CASING	2/8/2018 - G71 - MIN. 500' PER ORDER 42589

CUSTER

County, Oklahoma

278'FNL - 750'FEL Section 4 Township 15N Range 14W I.M.



Operator: MEP OPERATING, LLC

Lease Name: IZABELLA

Well No.: 1H-04

ELEVATION:

1612' Gr. at Stake

Topography & Vegetation Location fell in rough sandy pasture

Good Drill Site? Yes

Reference Stakes or Alternate Location
Stakes Set None

Best Accessibility to Location From county road north of well location.

Distance & Direction
from Hwy Jct or Town From Custer-Dewey County Line on St. Hwy. 33 at Fay, OK, go
±1.8 miles west on county road to the Northeast Corner of Section 4, T15N-R14W.

Revision ☒ A

Date of Drawing: Jan. 08, 2018

Invoice # 286424

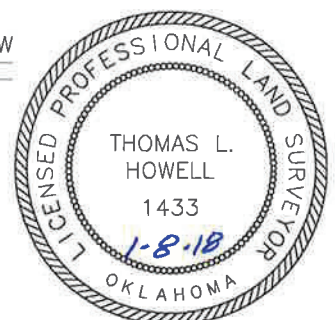
Date Staked: Jan. 4, 2018

JGW

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.

Oklahoma Reg. No. 1433



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

DATUM: NAD-27
LAT: 35°48'41.8"N
LONG: 98°41'15.2"W
LAT: 35.811620811"N
LONG: 98.687543433"W
STATE PLANE
COORDINATES (US FEET):
ZONE: OK NORTH
X: 1796138
Y: 296159