| PI NUMBER: 051 24276<br>rizontal Hole Oil & Gas  | OKLAHOMA CORPOR/<br>OIL & GAS CONSER<br>P.O. BOX<br>OKLAHOMA CITY,<br>(Rule 165) | VATION DIVISION<br>52000<br>OK 73152-2000  | Approval Date: 02/12/2018<br>Expiration Date: 08/12/2018 |
|--|--|--|--|
|  | PERMIT T   | <u>O DRILL</u>   |  |
| WELL LOCATION: Sec: 02 Twp: 8N Rge: 6<br>SPOT LOCATION: NW NE NE NE  | FEET FROM QUARTER: FROM NORTH FR<br>SECTION LINES: 260                           | 575  |  |
| Lease Name: EIGHT BELLES 36-25-9-6   | Well No: 2XH   | Well will I  | ······································                   |
| Operator LINN OPERATING LLC<br>Name:   | Telephone  | : 2818404010; 4052412  | OTC/OCC Number: 22182 0                                  |
| LINN OPERATING LLC<br>600 TRAVIS STE 1400<br>HOUSTON, TX   | 77002  | DONNA JEAN COA<br>2078 EAST SOONE<br>TUTTLE  |  |
| Formation(s) (Permit Valid for Listed For<br>Name<br>1 MISSISSIPPIAN<br>2<br>3<br>4  | ormations Only):<br>Depth<br>11000   | <b>Name</b><br>6<br>7<br>8<br>9  | Depth  |
| 5<br>Spacing Orders: 545991<br>471793  | Location Exception Orders:   | 10   | Increased Density Orders:                                |
| Pending CD Numbers: 201800971<br>201800972<br>201800945<br>201800943   |  |  | Special Orders:  |
| Total Depth: 21465 Ground Elevation:   | Surface Casing: 15   | 5 <b>00</b> De   | pth to base of Treatable Water-Bearing FM: 370           |
| Under Federal Jurisdiction: No   | Fresh Water Supply Well D  | rilled: Yes  | Surface Water used to Drill: No                          |
|  |  | Approved Method for disposal of D  | -  |
| Type of Pit System: ON SITE<br>Type of Mud System: WATER BASED   |  | <ul> <li>A. Evaporation/dewater and backf</li> <li>B. Solidification of pit contents.</li> </ul> | illing of reserve pit.                                   |
| Chlorides Max: 5000 Average: 3000<br>Is depth to top of ground water greater than 10ft below I<br>Within 1 mile of municipal water well? N | base of pit? Y   | D. One time land application (RI<br>H. CONCRETE - LINED PIT; OBM                                 |  |
| Wellhead Protection Area? N  |  |  |  |
| Pit is not located in a Hydrologically Sensitive Area.   |  |  |  |
| Category of Pit: 2<br>Liner not required for Category: 2   |  |  |  |
|  |  |  |  |
| Pit Location is NON HSA  |  |  |  |

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: ON SITE 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 not located in a Hydrologically Sensitive Area. Category of Pit: 3 Liner required for Category: 3

Pit Location is NON HSA Pit Location Formation: CHICKASHA

## HORIZONTAL HOLE 1

| Sec                            | 25       | Twp     | 9N       | Rge    | 6W        | County | GRADY |
|--------------------------------|----------|---------|----------|--------|-----------|--------|-------|
| Spot                           | Locatior | n of En | d Point: | N      | E NV      | V NW   | NW    |
| Feet                           | From:    | NOF     | RTH -    | 1/4 Se | ction Lir | ne: 65 | 5     |
| Feet                           | From:    | WE:     | ST       | 1/4 Se | ction Lir | ne: 54 | 40    |
| Depth of Deviation: 10385      |          |         |          |        |           |        |       |
| Radius of Turn: 477            |          |         |          |        |           |        |       |
| Direction: 5                   |          |         |          |        |           |        |       |
| Total Length: 10330            |          |         |          |        |           |        |       |
| Measured Total Depth: 21465    |          |         |          |        |           |        |       |
| True Vertical Depth: 11000     |          |         |          |        |           |        |       |
| End Point Location from Lease, |          |         |          |        |           |        |       |
| Unit, or Property Line: 65     |          |         |          |        |           |        |       |
|                                |          |         |          |        |           |        |       |

| Notes:                 |   |
|------------------------|---|
| Category               | Description   |
| DEEP SURFACE CASING    | 2/9/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF<br>CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR<br>SURFACE CASING   |
| HYDRAULIC FRACTURING   | 2/9/2018 - G71 - OCC 165:10-3-10 REQUIRES:  |
|                        | 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL<br>WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH<br>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<br>WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE<br>"FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK:<br>OCCEWEB.COM/OG/OGFORMS.HTML; AND, |
|                        | 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS<br>TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE<br>HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG                 |
| МЕМО                   | 2/9/2018 - G71 - PITS 1 & 2 - CONCRETE LINED PIT PER OPERATOR REQUEST, PIT 2 - OBM<br>RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT   |
| PENDING CD - 201800943 | 2/9/2018 - G58 - (I.O.) 36-9N-6W<br>X545991 MSSLM<br>2 WELLS<br>NO OP. NAMED<br>HEARING 2/26/2018   |

051 24276 EIGHT BELLES 36-25-9-6 2XH

| Category               | Description  |
|------------------------|--|
| PENDING CD - 201800945 | 2/9/2018 - G58 - (I.O.) 25-9N-6W<br>X471793 MSSLM<br>2 WELLS<br>NO OP. NAMED<br>HEARING 2/26/2018  |
| PENDING CD - 201800971 | 2/9/2018 - G58 - (E.O.) 36 & 25-9N-6W<br>EST MULTIUNIT HORIZONTAL WELL<br>X545991 MSSLM(36-9N-6W)<br>X471793 MSSLM(25-9N-6W)<br>50% 36-9N-6W<br>50% 25-9N-6W<br>NO OP. NAMED<br>REC 2/9/2018 (P. PORTER)   |
| PENDING CD - 201800972 | 2/9/2018 - G58 - (E.O.) 36 & 25-9N-6W<br>X545991 MSSLM (36-9N-6W)<br>X471793 MSSLM (25-9N-6W)<br>X165:10-3-28(C)(2)(B) MAYBE CLOSER THAN 600' TO EXISTING OR PROPOSED WELL<br>COMPL. INT. (36-9N-6W) NCT 150' FSL, NCT 0' FNL, NCT 500' FWL<br>COMPL. INT. (25-9N-6W) NCT 0' FSL, NCT 150' FNL, NCT 500' FWL<br>NO OP. NAMED<br>REC 2/9/2018 (P. PORTER) |
| SPACING - 471793       | 2/9/2018 - G58 - (640) 25-9N-6W<br>EXT 466739 MSSLM, OTHERS  |
| SPACING - 545991       | 2/9/2018 - G58 - (640) 36-9N-6W<br>EXT 459029 MSSLM, OTHERS  |

