API NUMBER: 017 25174

Horizontal Hole Oil & Gas

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

Approval Date: 02/14/2018
Expiration Date: 08/14/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 12N Rge: 6W County: CANADIAN

SPOT LOCATION: SE NW NW NW FEET FROM QUARTER: FROM **NORTH** FROM **WEST**
SECTION LINES: **340** **455**

Lease Name: DENALI 1206 **Well No: 1WH-20** **Well will be 340 feet from nearest unit or lease boundary.**

Operator Name: **CHAPARRAL ENERGY LLC** Telephone: 4054264451; 4054264 OTC/OCC Number: 16896 0

CHAPARRAL ENERGY LLC
701 CEDAR LAKE BLVD
OKLAHOMA CITY, OK 73114-7800

GEORGE CURTIS POSPISIL
1906 MAY FLOWER DRIVE
SILVER SPRINGS MD 20905

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

	Name	Depth		Name	Depth
1	WOODFORD	9260	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders: 667934 Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 14500 Ground Elevation: 1330 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 280

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

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 AP/TE DEPOSIT
Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-33915
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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 20 Twp 12N Rge 6W County CANADIAN

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 380

Depth of Deviation: 8648

Radius of Turn: 573

Direction: 359

Total Length: 4951

Measured Total Depth: 14500

True Vertical Depth: 9300

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

Notes:

Category	Description
COMPLETION INTERVAL	2/14/2018 - G57 - COMPLETION INTERVAL (FIRST PERFORATION TO LAST PERFORATION OR POINT OF ENTRY TO TERMINUS) FOR THE WOODFORD WILL BE GREATER THAN 165’ FNL & FSL; GREATER THAN 330’ FEL & FWL OF 20-12N-6W PER SPACING ORDER #667934 PER OPERATOR
DEEP SURFACE CASING	2/9/2018 - 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	2/9/2018 - 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
MEMO	2/9/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 667934	2/12/2018 - G57 - (640)(HOR) 20-12N-6W EXT 631353 WDFD, OTHERS POE TO BHL NCT 165' FNL & FSL, NCT 300' FEL & FWL

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.