

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

API NUMBER: 017 25572

Approval Date: 12/11/2019

Expiration Date: 06/11/2021

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 12N Rge: 6W

County: CANADIAN

SPOT LOCATION: ☐ NW ☐ SW ☐ SW ☐ SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 459 2480

Lease Name: ALVERSTONE 1206

Well No: 2SMH-17

Well will be 459 feet from nearest unit or lease boundary.

Operator Name: CHAPARRAL ENERGY LLC

Telephone: 4054788770; 4054264

OTC/OCC Number: 16896 0

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

MARGARET ANN KNIGHT & JAMES KNIGHT
8901 U.S. HIGHWAY 66 EAST
EL RENO OK 73036

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	8795	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 695590

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201905517
201905516

Special Orders:

Total Depth: 14000

Ground Elevation: 1289

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 380

Deep surface casing has been approved

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: 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 ALLUVIAL

Pit Location Formation: ALLUVIUM

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

PERMIT NO: 19-37129

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is 18 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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 17 Twp 12N Rge 6W County CANADIAN

Spot Location of End Point: NE NE NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 2480

Depth of Deviation: 8460

Radius of Turn: 384

Direction: 355

Total Length: 4937

Measured Total Depth: 14000

True Vertical Depth: 9060

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

Notes:

Category

Description

DEEP SURFACE CASING

12/4/2019 - 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

12/4/2019 - 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

12/4/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - PURCELL CREEK), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201905516

12/11/2019 - G56 - 17-12N-6W
X695590 MSSP
2 WELLS
NO OP NAMED
REC 12/9/2019 (DENTON)

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is 18 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 25572 ALVERSTONE 1206 2SMH-17

PENDING CD - 201905517

12/11/2019 - G56 - (I.O.) 17-12N-6W

X695590 MSSP

X165:10-3-28(C)(2)(B) MAY BE CLOSER THAN 600' TO BANNER CO-OP 17-1 WELL***

COMPL INT NCT 150' FSL, NCT 150' FNL, NCT 660' FWL

NO OP NAMED

REC 12/9/2019 (DENTON)

***S/B DOLESE 17-1 (017-20713); WILL BE DISMISSED OR CORRECTED AT HEARING PER ATTORNEY FOR OPERATOR

SPACING - 695590

12/11/2019 - G56 - (640)(HOR) 17-12N-6W

EST MSSP, OTHERS

POE TO BHL NCT 660' FB

(COEXIST WITH SP # 130956 MISS)

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1.

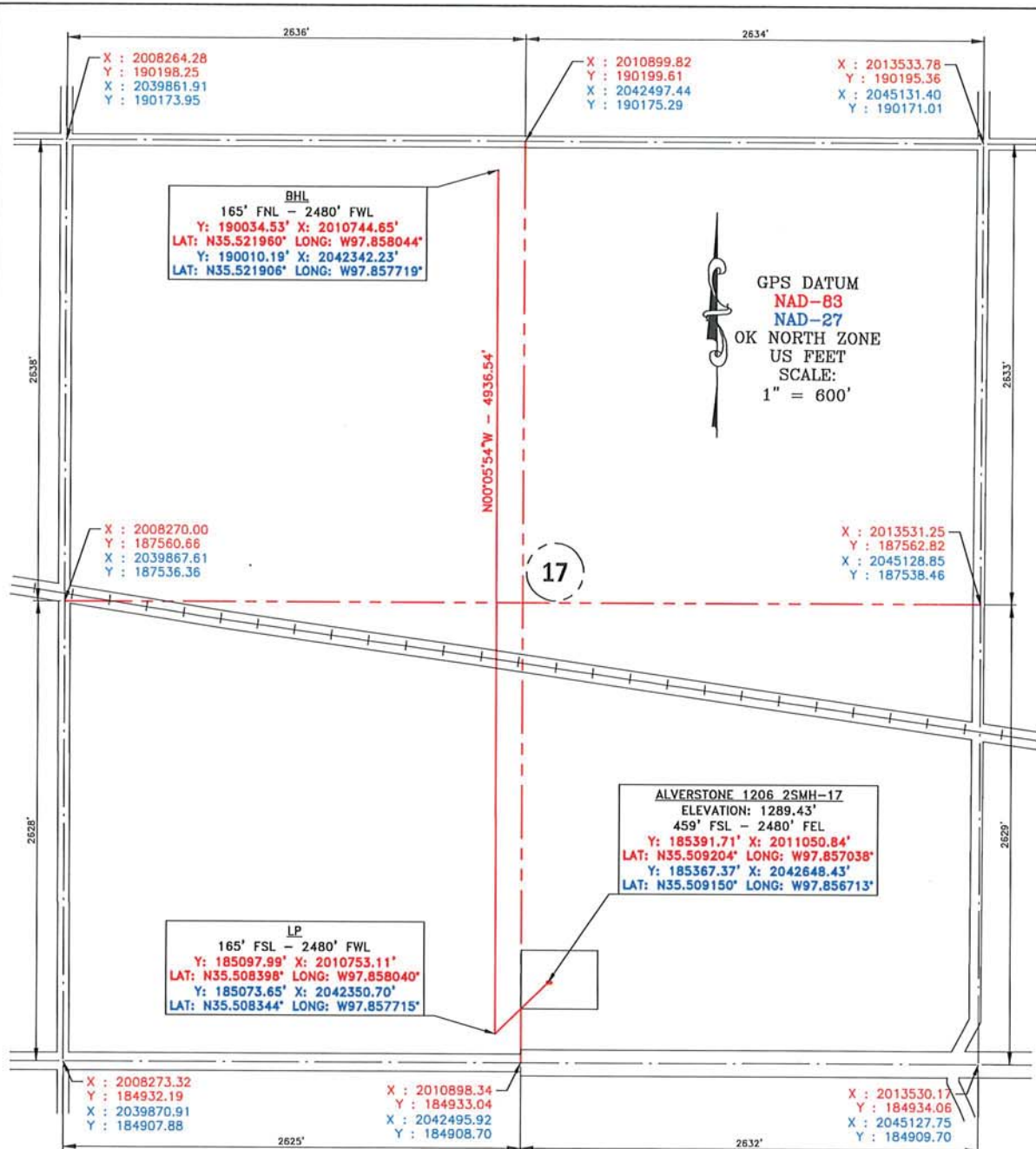
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

EXHIBIT: A
SHEET: 11x17

ALVERSTONE 1206 2SMH-17

Section 17 Township 12N Range 6W I.M.County CANADIAN State OklahomaOperator Chaparral Energy

WELL LOCATION PLAT



Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Pan-Op promptly if any inconsistency is determined. GPS data is observed from RTK-GPS. NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true Boundary Survey.

PAN-OP
SURVEY & CONSULTING

Prepared By:
Pan-Op Survey & Consulting, LLC
11900 N. MacArthur Blvd.
Suite G2
Oklahoma City, OK 73162
CAF 8166

DATE STAKED: 11/22/2019

CERTIFICATE:

I, Cory D. Culpepper, an Oklahoma Licensed Land Surveyor and an authorized agent of Pan-Op, LLC, do hereby certify to the information shown herein.

C. Culpepper

11/26/2019

Oklahoma RPL
No. 1980