

API NUMBER: 029 21417

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

Approval Date: 06/01/2022

Expiration Date: 06/08/2022

Multi Unit

Oil & Gas

PERMIT TO DRILL

Temporary

WELL LOCATION: Section: 31 Township: 1S Range: 11E County: COAL

SPOT LOCATION: ☐ NW ☐ SW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 339 1463

Lease Name: KELLY Well No: 6/7-3H Well will be 339 feet from nearest unit or lease boundary.

Operator Name: CANYON CREEK ENERGY ARKOMA LLC Telephone: 9185616737 OTC/OCC Number: 24379 0

CANYON CREEK ENERGY ARKOMA LLC
615 EAST 4TH STREET
TULSA, OK 74120-3017

ERNEST FANNING AND PEGGY FANNING AS TRUSTEES OF THE
FANNING FAMILY REVOCABLE TRUST, DATED NOVEMBER 4
38137 CR 1780
COALGATE OK 74538

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

Name	Code	Depth
1 WOODFORD	319WDFD	8750

Spacing Orders: 529078

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 18500

Ground Elevation: 599

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 360

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:

F. Haul to Commercial soil farming facility	Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 721553
H. (Other)	SEE MEMO

PIT 1 INFORMATION

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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: MCALESTER

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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: mcalester

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 5 Business Days, 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.

MULTI UNIT HOLE 1

Section: 7	Township: 2S	Range: 11E	Meridian: IM	Total Length: 10244
County: ATOKA				Measured Total Depth: 18500
Spot Location of End Point: S2	S2	SE	SW	True Vertical Depth: 9000
Feet From: SOUTH	1/4 Section Line: 165			End Point Location from
Feet From: WEST	1/4 Section Line: 1980			Lease, Unit, or Property Line: 165

NOTES:

Category	Description
DEEP SURFACE CASING	[5/27/2022 - GC2] - 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	<p>[5/27/2022 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p>
MEMO	[5/27/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
TEMPORARY AUTHORIZATION TO DRILL	[5/27/2022 - GC2] - APPROVED PER TECHNICAL MANAGER VIRGINIA HULLINGER; ISSUED 6/1/2022; EXPIRES 06/8/2022, HEARING 6/6/2022;