

API NUMBER: 029 21395 A

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

Approval Date: 03/16/2020

Expiration Date: 09/16/2021

Multi Unit Oil & Gas

Amend reason: OCC CORRECTION - BHL

AMEND PERMIT TO DRILL

WELL LOCATION: Section: 24 Township: 3N Range: 10E County: COAL

SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2410 1650

Lease Name: DOUBLE 5 RANCH Well No: 2413 3N-10E 2WH Well will be 1650 feet from nearest unit or lease boundary.

Operator Name: FOUNDATION ENERGY MANAGEMENT LLC Telephone: 9185265592 OTC/OCC Number: 22137 0

FOUNDATION ENERGY MANAGEMENT LLC
5057 KELLER SPRINGS RD STE 650
ADDISON, TX 75001-6583

TRUMAN JOHNSON, II
17657 CR 3670
STONEWALL OK 74871

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

| Name | Code | Depth |
|------------|---------|-------|
| 1 WOODFORD | 319WDFD | 7275 |

Spacing Orders: 494001
279728
709016

Location Exception Orders: 709017

Increased Density Orders: 708725
708754

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 15274 Ground Elevation: 719

Surface Casing: 570

Depth to base of Treatable Water-Bearing FM: 520

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

Approved Method for disposal of Drilling Fluids:

| | |
|------------------------------------|--|
| E. Haul to Commercial pit facility | Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498 |
| 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: BOGGY

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: BOGGY

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.

| MULTI UNIT HOLE 1 | | | | |
|--------------------------------|------------------------|------------|------------------------------------|---------------------------|
| Section: 13 | Township: 3N | Range: 10E | Total Length: 8140 | |
| County: COAL | | | Measured Total Depth: 15274 | |
| Spot Location of End Point: NE | NW | NW | NE | True Vertical Depth: 7345 |
| Feet From: NORTH | 1/4 Section Line: 165 | | End Point Location from | |
| Feet From: EAST | 1/4 Section Line: 2100 | | Lease, Unit, or Property Line: 165 | |

NOTES:

| Category | Description |
|---|---|
| HYDRAULIC FRACTURING | 1/13/2020 - 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: OCCWEB.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 |
| INCREASED DENSITY - 708725 | 3/13/2020 - GC2 - 13-3N-10E X279728 WDFD 4 WELLS NO OP. NAMED 2-12-2020 |
| INCREASED DENSITY - 708754 | 3/13/2020 - GC2 - 24-3N-10E X494001 WDFD 3 WELLS NO OP. NAMED 2-13-2020 |
| LOCATION EXCEPTION - 709017 (201905864) | 3/13/2020 - GC2 - (I.O.) 13 & 24-3N-10E X279728 WDFD 13-3N-10E X494001 WDFD 24-3N-10E COMPL. INT. (24-3N-10E) NFT 2,387' FNL, NCT 0' FNL, NCT 2,100' FEL COMPL. INT. (13-3N-10E) NCT 0' FSL, NCT 165' FNL, NCT 2,100' FEL FOUNDATION ENERGY MANAGEMENT, LLC 2-21-2020 |
| SPACING - 279728 | 3/13/2020 - GC2 - (640) 13-3N-10E EXT 131547 WDFD, OTHERS |
| SPACING - 494001 | 3/13/2020 - GC2 - (640) 24-3N-10E EXT 454535/VAR/279728 WDFD, OTHERS |
| SPACING - 709016 (201905863) | 3/13/2020 - GC2 - (I.O.) 13 & 24-3N-10E EST MULTIUNIT HORIZONTAL WELL X279728 WDFD 13-3N-10E X494001 WDFD 24-3N-10E 68% 13-3N-10E 32% 24-3N-10E FOUNDATION ENERGY MANAGEMENT, LLC 2-21-2020 |

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.

029 21395 DOUBLE 5 RANCH 2413 3N-10E 2WH