

API NUMBER: 093 25301

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

Approval Date: 06/07/2023

Expiration Date: 12/07/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 04 Township: 22N Range: 12W County: MAJOR

SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 195 1623

Lease Name: BADGER 2212 Well No: 1UOHX-4-9 Well will be 195 feet from nearest unit or lease boundary.

Operator Name: CANVAS ENERGY LLC Telephone: 4054788770; 4054264481; OTC/OCC Number: 16896 0

CANVAS ENERGY LLC
4700 GAILLARDIA PARKWAY STE 200
OKLAHOMA CITY, OK 73142-1839

BILL CORNELSON
PO BOX 127
CLEO SPRINGS OK 73729

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	6930

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202301528
202301532
202301533
202301524

Working interest owners' notified: YES

Special Orders: No Special

Total Depth: 17400

Ground Elevation: 1270

Surface Casing: 730

Depth to base of Treatable Water-Bearing FM: 480

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 23-39060

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? Y

Wellhead Protection Area? Y

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

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? Y

Wellhead Protection Area? Y

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

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: 9	Township: 22N	Range: 12W	Meridian: IM	Total Length: 10146
	County: MAJOR			Measured Total Depth: 17400
Spot Location of End Point: SE	SE	SW	SW	True Vertical Depth: 7080
Feet From: SOUTH		1/4 Section Line: 165		End Point Location from
Feet From: WEST		1/4 Section Line: 1000		Lease, Unit, or Property Line: 165

NOTES:

Category	Description
HYDRAULIC FRACTURING	<p>[5/23/2023 - 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 FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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	[5/23/2023 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING - CD2023-001524	[6/6/2023 - GB7] - (640)(HOR) 9-22N-12W EST MSSP COMPL INT NCT 660' FB (COEXIST EXISTING NON-HORIZONTAL SPACING 149113)
PENDING - CD2023-001528	[6/6/2023 - GB7] - (640)(HOR) 4-22N-12W EST MSSP COMPL INT NCT 660' FB (COEXIST EXISTING NON-HORIZONTAL SPACING 63692/243704)
PENDING - CD2023-001532	[6/6/2023 - GB7] - (I.O.) 4 & 9-22N-12W EST MULTIUNIT HORIZONTAL WELL XCD2023-001524 MSSP XCD2023-001528 MSSP 50% 4-22N-12W 50% 9-22N-12W CANVAS ENERGY LLC REC 06/06/2023 (PORTER)
PENDING - CD2023-001533	[6/6/2023 - GB7] - (I.O.) 4 & 9-22N-12W XCD2023-001524 MSSP XCD2023-001528 MSSP COMPL INT NCT 150' FNL, NCT 0' FSL, NCT 330' FWL (4-22N-12W) COMPL INT NCT 0' FNL, NCT 150' FSL, NCT 330' FWL (9-22N-12W) CANVAS ENERGY LLC REC 06/06/2023 (PORTER)
PUBLIC WATER SUPPLY	[5/23/2023 - GC2] - ENID - 9 WELLS N2 4-22N-12W, S2 33-23N-12W, & S2 32-23N-12W
SURFACE CASING	[5/23/2023 - GC2] - NO DEEP SURFACE CASING DUE TO BEING INSIDE PUBLIC WATER SUPPLY BOUNDARIES