

API NUMBER: 073 26922

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

Approval Date: 08/26/2022

Expiration Date: 02/26/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 16 Township: 16N Range: 6W County: KINGFISHER

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 213 721

Lease Name: BOWSER 1606 Well No: 5UMH-9 Well will be 213 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

COMMISSIONERS OF THE LAND OFFICE OF THE STATE OF
OKLAHOMA
204 N. ROBINSON, SUITE 900
OKLAHOMA CITY OK 73102

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	7120

Spacing Orders: 658168

Location Exception Orders: 727446

Increased Density Orders: 727836

Pending CD Numbers: 202203398

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 12450

Ground Elevation: 1087

Surface Casing: 450

Depth to base of Treatable Water-Bearing FM: 200

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: 22-38501

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: 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

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

Section: 9 Township: 16N Range: 6W Meridian: IM

Total Length: 4954

County: KINGFISHER

Measured Total Depth: 12450

Spot Location of End Point: NE NE NW NW

True Vertical Depth: 7250

Feet From: NORTH 1/4 Section Line: 165

End Point Location from

Feet From: WEST 1/4 Section Line: 1230

Lease, Unit, or Property Line: 165

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.

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[8/10/2022 - 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>
INCREASED DENSITY - 727836	<p>[8/18/2022 - GB1] - 9-16N-6W X658168 MSSP 1 WELL CANVAS ENERGY, LLC 8/23/2022</p>
LOCATION EXCEPTION - 727446	<p>[8/18/2022 - GB1] - (I.O.) 9-16N-6W X658168 MSSP X165:10-3-28(C)(2)(B) MSSP, MAY BE CLOSER THAN 600' TO RICHARD HENSLEY 1-9 COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 330 FWL CANVAS ENERGY LLC 8/4/2022</p>
MEMO	<p>[8/10/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
PENDING CD - 202203398	<p>[8/26/2022 - GB1] - (E.O.) 9-16N-6W X165:10-3-28(C)(2)(B) MSSP MAY BE CLOSER TO 600' TO HANKS DJ 1-9 CANVAS ENERGY, LLC REC 8/26/2022 (THOMAS)</p>
SPACING - 658168	<p>[8/18/2022 - GB1] - (640)(HOR) 9-16N-6W EXT 630735 MSSP, OTHER POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 62655/105295 MSSLM N2, SE4 & ORDER # 62655/105295/522340 MSSLM SW4)</p>