

API NUMBER: 017 25603

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

Approval Date: 02/19/2020

Expiration Date: 08/19/2021

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 28 Township: 12N Range: 7W County: CANADIAN

SPOT LOCATION: ☐ NE ☐ NW ☐ NE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 2530 679

Lease Name: HUBBARD 1207

Well No: 3SMHX-28

Well will be 679 feet from nearest unit or lease boundary.

Operator Name: CHAPARRAL ENERGY LLC

Telephone: 4054788770; 4054264481;

OTC/OCC Number: 16896 0

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

STEVEN JENSEN
707 SOUTH HOFF
EL RENO OK 73036

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

| Name | Code | Depth |
|-----------------|---------|-------|
| 1 MISSISSIPPIAN | 359MSSP | 9570 |

Spacing Orders: 681784
690431
694781
708766

Location Exception Orders: 694783

Increased Density Orders: No Density Orders

Pending CD Numbers: 202000140
202000139

Special Orders: No Special Orders

Total Depth: 17050

Ground Elevation: 1349

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 370

Deep surface casing has been approved

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: 18-34589

H. 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 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: CHICKASHA

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: CHICKASHA

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: 21 | Township: 12N | Range: 7W | Total Length: 7592 |
| County: CANADIAN | | | Measured Total Depth: 17050 |
| Spot Location of End Point: NW | NE | NE | True Vertical Depth: 9850 |
| Feet From: NORTH | 1/4 Section Line: 165 | | End Point Location from |
| Feet From: EAST | 1/4 Section Line: 380 | | Lease, Unit, or Property Line: 165 |

| Additional Surface Owner(s) | Address | City, State, Zip |
|-----------------------------|---------------------|-------------------|
| PETER JENSEN | 1000 E. JENSEN ROAD | EL RENO, OK 73036 |

NOTES:

| Category | Description |
|---|---|
| DEEP SURFACE CASING | 5/31/2018 - 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 | 5/31/2018 - 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 |
| LOCATION EXCEPTION - 694783 (201802449) | 1/27/2020 - G56 - (I.O.) 21 & 28-12N-7W X690431 MSSP 21-12N-7W X681784 MSSP 28-12N-7W COMPL. INT. (28-12N-7W) NCT 330' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (21-12N-7W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL CHAPARRAL ENERGY, LLC 4/17/2019 |
| MEMO | 5/31/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 202000139 | 2/18/2020 - G56 - 21-12N-7W X690431 MSSP 2 WELLS NO OP NAMED HEARING 2/24/2020 |
| PENDING CD - 202000140 | 2/18/2020 - G56 - 28-12N-7W X681784 MSSP 2 WELLS NO OP NAMED HEARING 2/24/2020 |
| SPACING - 681784 | 1/27/2020 - G56 - (640)(HOR) 28-12N-7W EXT 661894 MSSP, OTHER POE TO BHL NCT 660' FB |
| SPACING - 690431 | 1/27/2020 - G56 - (640)(HOR) 21-12N-7W EXT 661894 MSSP, OTHER POE TO BHL NCT 660' FB (COEXIST WITH SP. ORDER #147489 MSSP) |
| SPACING - 694782 (201802448) | 1/27/2020 - G56 - (I.O.) 21 & 28-12N-7W EST MULTIUNIT HORIZONTAL WELL X690431 MSSP 21-12N-7W X681784 MSSP 28-12N-7W 33% 28-12N-7W 67% 21-12N-7W CHAPARRAL ENERGY LLC. 4/17/2019 |
| SPACING - 708766 | 2/18/2020 - G56 - NPT CORRECTING SP # 681784 MSSP TO COEXIST WITH SP # 165642 MSSP IN 28-12N-7W |

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Office of the Conservation Division as to when Surface Casing will be run.

017 25603 HUBBARD 1207 3SMHX-28