API NUMBER: 051 24780

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

Approval Date: 04/17/2020

Expiration Date: 10/17/2021

Horizontal Hole Oil & Gas

## PERMIT TO DRILL

|   |                             |                |                   | PE           | <u>KIVIII</u>  | 10   | DKILL                          |                |         |                          |                     |  |  |
|---|-----------------------------|----------------|-------------------|--------------|--|--|--------------------------------|----------------|---------|--------------------------|---------------------|--|--|
| WELL LOCATION:  | Section: 01                 | Township: 3    | 3N Ran            | ge: 5W       | County:  | GRADY  | ,                              |                |         |                          |                     |  |  |
| SPOT LOCATION:  | NE SE SE                    | SW             | FEET FROM QUAR    | TER: FROM    | SOUTH  | FROM   | WEST                           |                |         |                          |                     |  |  |
|   |                             |                | SECTION LII       | NES:         | 340  |  | 2415                           |                |         |                          |                     |  |  |
| Lease Name:   | BILLY                       |                |                   | Well No      | 0305 3H-   | 12   |                                | Well will be   | 340     | feet from nearest unit   | or lease boundary.  |  |  |
| Operator Name:  | OVINTIV MID-CONTINI         | ENT INC.       |                   | Telephone    | 2812105  | 100; 918   | 88781290;                      |                |         | OTC/OCC Num              | nber: 20944 0       |  |  |
| OVINTIV MIE   | D-CONTINENT INC             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| 4 WATERWAY AVE STE 100  |                             |                |                   |              |  | ODELL F. PARKER AND GLENDA N. PARKER                               |                                |                |         |                          |                     |  |  |
| THE WOODLANDS, TX 77380-2764  |                             |                |                   |              |  | 44010 COUNTY ST 2980   |                                |                |         |                          |                     |  |  |
|   |                             |                |                   |              |  | L  | INDSAY                         |                |         | OK 73052                 |                     |  |  |
| Formation(s)  | (Permit Valid for L         | isted Form     | nations Only)     | :            |  |  |                                |                |         |                          |                     |  |  |
| Name  | •                           | Code           |                   | Depth        |  | ]  |                                |                |         |                          |                     |  |  |
| 1 SPRINGER  |                             | 401SPR         | RG                | 13070        |  |  |                                |                |         |                          |                     |  |  |
| Spacing Orders:   | 185087<br>185688            |                | Lo                | ocation Exce | ption Orders   | s: No  | Exceptions                     |                | Inc     | creased Density Orders:  | No Density Orders   |  |  |
|   |                             |                | _                 |              |  |  |                                |                |         | Special Orders:          | No Special Orders   |  |  |
| Pending CD Numb   |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
|   | 202000608                   |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
|   | 202000610                   |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Total Depth:  | 18857 Ground                | Elevation: 116 | 61                | Surface      | Casing:  | 1500   | 1                              | Depth          | to base | of Treatable Water-Beari | ng FM: 450          |  |  |
|   |                             |                |                   |              |  |  |                                |                | D       | eep surface casing       | g has been approved |  |  |
| Under Federal Jurisdiction: No  |                             |                |                   |              |  | Approved Method for disposal of Drilling Fluids:                   |                                |                |         |                          |                     |  |  |
| Fresh Water Supply Well Drilled: No   |                             |                |                   |              |  | D. One time land application (REQUIRES PERMIT) PERMIT NO: 20-37340 |                                |                |         |                          |                     |  |  |
| Surface Water used to Drill: No   |                             |                |                   |              | E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498 |  |                                |                |         |                          |                     |  |  |
|   |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| PIT 1 INFORMATION   |                             |                |                   |              | Category of Pit: C   |  |                                |                |         |                          |                     |  |  |
| Type of Pit System: CLOSED Closed System Means Steel Pits   |                             |                |                   |              | Liner not required for Category: C   |  |                                |                |         |                          |                     |  |  |
| Type of Mud System: WATER BASED   |                             |                |                   |              | Pit Location is: BED AQUIFER   |  |                                |                |         |                          |                     |  |  |
| Chlorides Max: 5000 Average: 3000  Is depth to top of ground water greater than 10ft below base of pit? Y |                             |                |                   |              |  |  | Pit Location Formation: DUNCAN |                |         |                          |                     |  |  |
|   |                             |                | elow base of pit? | Y            |  |  |                                |                |         |                          |                     |  |  |
| Within 1 mile of municipal water well? N  Wellhead Protection Area? N                                     |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Dia io  |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Pit <u>is</u> I   | located in a Hydrologically | Sensitive Area | d.                |              |  |  |                                |                |         |                          |                     |  |  |
| PIT 2 INFORMATION   |                             |                |                   |              | Category of Pit: C   |  |                                |                |         |                          |                     |  |  |
| Type of Pit System: CLOSED Closed System Means Steel Pits   |                             |                |                   |              | Liner not required for Category: C   |  |                                |                |         |                          |                     |  |  |
| Type of Mud System: OIL BASED   |                             |                |                   |              |  | Pit Location is: BED AQUIFER                                       |                                |                |         |                          |                     |  |  |
| Chlorides Max: 300000 Average: 200000   |                             |                |                   |              |  |  | Pit Location F                 | ormation: DUNC | AN      |                          |                     |  |  |
| Is depth to top of ground water greater than 10ft below base of pit? Y                                    |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Within 1  | mile of municipal water we  |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Wellhead Protection Area? N   |                             |                |                   |              |  |  |                                |                |         |                          |                     |  |  |
| Pit <u>is</u> I   | located in a Hydrologically | Sensitive Area | э.                |              |  |  |                                |                |         |                          |                     |  |  |

HORIZONTAL HOLE 1

Section: 12 Township: 3N Range: 5W Total Length: 4952

County: GRADY Measured Total Depth: 18857

Spot Location of End Point: SW SW SE SE True Vertical Depth: 13207

Feet From: SOUTH 1/4 Section Line: 85 End Point Location from
Feet From: EAST 1/4 Section Line: 1025 Lease,Unit, or Property Line: 85

| NOTES:                 |  |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|--|
| Category               | Description  |  |  |  |  |  |  |
| DEEP SURFACE CASING    | 4/2/2020 - 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   | 4/2/2020 - 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: OCCEWEB.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  |  |  |  |  |  |  |
| МЕМО                   | 4/2/2020 - G71 - PIT 1 & 2 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST, WBM/CUTTINGS & OBM CUTTINGS CAPTURED IN STEEL HALF PITS, WBM/CUTTINGS WILL BE SOIL FARMED, OBM CUTTINGS TRANSFERRED TO R360 587498 (31-12N-8W), CANADIAN CO, PIT 2 - OBM TO VENDOR |  |  |  |  |  |  |
| PENDING CD – 202000607 | 4/17/2020 - GB6 - (I.O.) 12-3N-5W<br>X185087/185688 SPRG<br>3 WELLS<br>NO OP. NAMED<br>REC. 03/31/2020 (P. PORTER)   |  |  |  |  |  |  |
| PENDING CD – 202000608 | 4/17/2020 - GB6 - (I.O.) 12-3N-5W<br>X185087/185688 SPRG<br>TARGETED RESERVOIR IS RECOGNIZED LOWER SHALE MEMBER OF THE SPRINGER<br>COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 660' FEL<br>NO OP. NAMED<br>REC. 03/31/2020 (P. PORTER)                           |  |  |  |  |  |  |
| PENDING CD – 202000610 | 4/17/2020 - GB6 - (I.O.) 12-3N-5W<br>X165:10-3-28(C)(2)(B) SPRG (BILLY 0305 3H-12)<br>MAY BE CLOSER THAN 600' TO BILLY 1H-12 (API # 3505123955) AND/OR PROPOSED WELLS<br>OVINTIV MID-CONTINENT INC.<br>REC. 03/31/2020 (P. PORTER)                               |  |  |  |  |  |  |
| SPACING – 185087       | 4/17/2020 - GB6 - (640) 12-3N-5W<br>EXT OTHER<br>EST SPRG, OTHERS  |  |  |  |  |  |  |
| SPACING - 185688       | 4/17/2020 - GB6 - NPT 185087 TO CORRECT DESCRIBED COUNTY FROM MCCLAIN TO GRADY COUNTY, OKLAHOMA  |  |  |  |  |  |  |

