

API NUMBER: 029 21396

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

PERMIT TO DRILL

WELL LOCATION: Section: 04 Township: 3N Range: 10E County: COAL

SPOT LOCATION: ☐ SE ☐ NE ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 480 240

Lease Name: DOUBLE 5 RANCH Well No: 0310 3N-10E 1WH Well will be 240 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

ROBERT AND JANIE DUTTON
1474 FLOWERING WELLS RD
POTTSBORO TX 75076

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

Name	Code	Depth
1 WOODFORD	319WDFD	6234

Spacing Orders: 532945
495486
708614

Location Exception Orders: 708615

Increased Density Orders: 708722
708720

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 16079

Ground Elevation: 724

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 250

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

Approved Method for disposal of Drilling Fluids:

H. 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 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? 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: 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: 10	Township: 3N	Range: 10E	Total Length: 10008
County: COAL			Measured Total Depth: 16079
Spot Location of End Point: SW	SE	SW	True Vertical Depth: 6317
Feet From: SOUTH	1/4 Section Line: 165		End Point Location from
Feet From: WEST	1/4 Section Line: 800		Lease, Unit, or Property Line: 165

NOTES:

Category	Description
HYDRAULIC FRACTURING	<p>1/14/2020 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
INCREASED DENSITY - 708720 (201905836)	<p>3/16/2020 - GC2 - 3-3N-10E X532945 WDFD 3 WELLS FOUNDATION ENERGY MANAGEMENT, LLC 2-12-2020</p>
INCREASED DENSITY - 708722 (201905838)	<p>3/16/2020 - GC2 - 10-3N-10E X495486 WDFD 3 WELLS FOUNDATION ENERGY MANAGEMENT, LLC 2-12-2020</p>
LOCATION EXCEPTION - 708615 (201905841)	<p>3/16/2020 - GC2 - (I.O.) 3 & 10-3N-10E X532945 WDFD 3-3N-10E X495486 WDFD 10-3N-10E COMPL. INT. (3-3N-10E) NCT 1,426 FNL, NCT 0' FSL, NCT 800' FWL COMPL. INT. (10-3N-10E) NCT 0' FNL, NCT 165' FSL, NCT 800' FWL FOUNDATION ENERGY MANAGEMENT, LLC 2-7-2020</p>
SPACING - 495486	<p>3/16/2020 - GC2 - (640) 10-3N-10E EST WDFD</p>
SPACING - 532945	<p>3/16/2020 - GC2 - (640) 3-3N-10E EXT 526686 WDFD, OTHERS EXT OTHERS EST OTHER</p>
SPACING - 708614 (201905840)	<p>3/16/2020 - GC2 - (I.O.) 3 & 10-3N-10E EST MULTIUNIT HORIZONTAL WELL X532945 WDFD 3-3N-10E X495486 WDFD 10-3N-10E 49% 3-3N-10E 51% 10-3N-10E FOUNDATION ENERGY MANAGEMENT, LLC 2-7-2020</p>

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029 21396 DOUBLE 5 RANCH 0310 3N-10E 1WH