

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

API NUMBER: 043 23461

Approval Date: 05/19/2016
Expiration Date: 11/19/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 19N Rge: 20W County: DEWEY
SPOT LOCATION: S2 S2 SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 250 1980

Lease Name: MCCORMICK 3-19-20 Well No: 1H Well will be 250 feet from nearest unit or lease boundary.
Operator Name: TAPSTONE ENERGY LLC Telephone: 4057021600 OTC/OCC Number: 23467 0

TAPSTONE ENERGY LLC
100 E MAIN ST
OKLAHOMA CITY, OK 73104-2509

RICHARD J. AND JENNIFER C. MCCORMICK
RT. 2, BOX 61
VICI OK 73859

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

| Name | Depth | Name | Depth |
|------|---------------|-------|-------|
| 1 | MISSISSIPPIAN | 12400 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201601582
201601580

Special Orders:

Total Depth: 17000 Ground Elevation: 2260 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 420

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

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 BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31270
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX 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.

HORIZONTAL HOLE 1

Sec 03 Twp 19N Rge 20W County DEWEY

Spot Location of End Point: N2 N2 NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 11575

Radius of Turn: 750

Direction: 360

Total Length: 4246

Measured Total Depth: 17000

True Vertical Depth: 12400

End Point Location from Lease,
Unit, or Property Line: 165

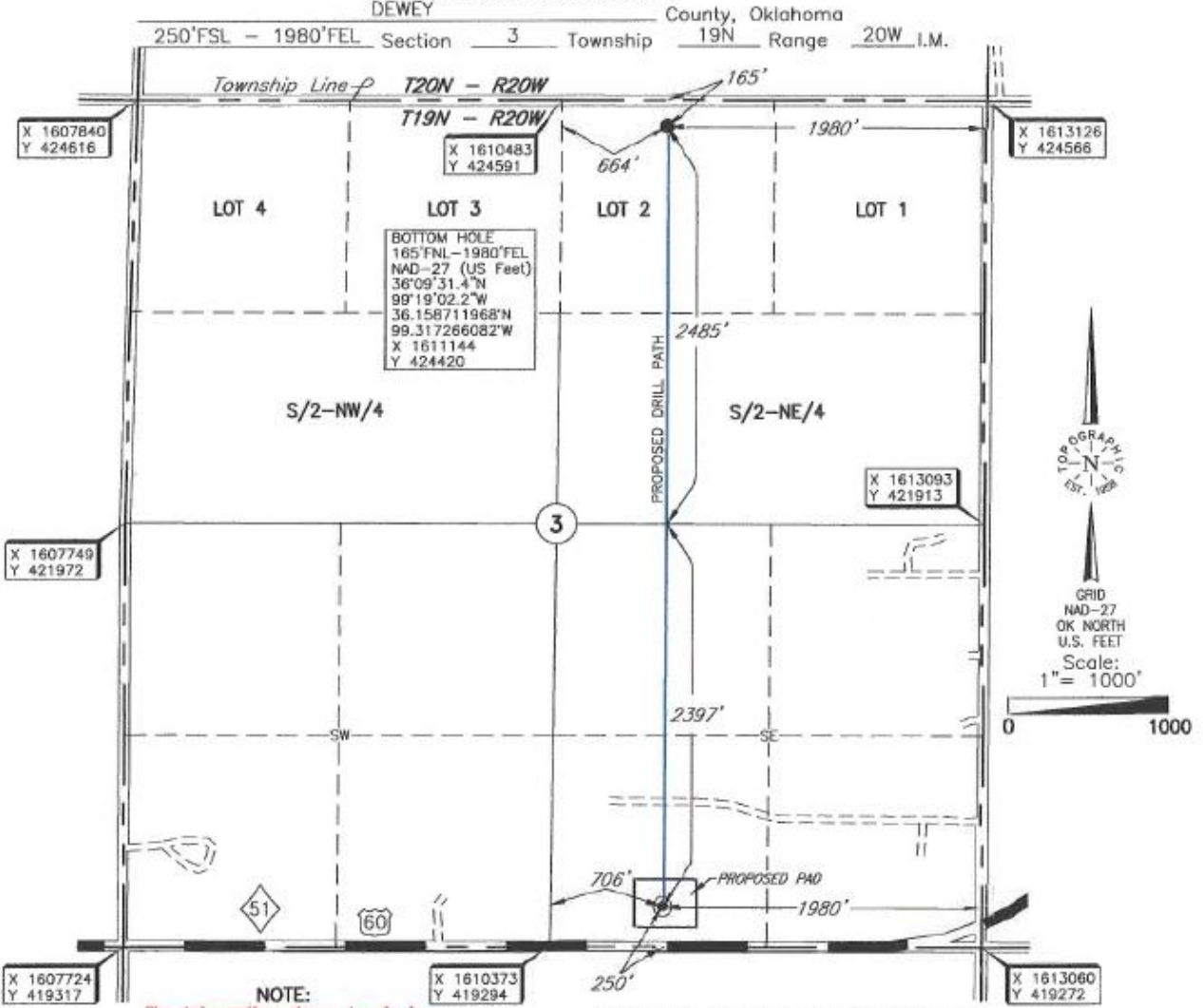
Notes:

| Category | Description |
|------------------------|---|
| DEEP SURFACE CASING | 5/18/2016 - 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 | 5/18/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE. |
| PENDING CD - 201601580 | 5/19/2016 - G60 - (I.O.) 3-19N-20W X201601582 MSSP COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 1000' FEL NO OP. NAMED REC. 5-16-16 (THOMAS) |
| PENDING CD - 201601582 | 5/19/2016 - G60 - (640)(HOR) 3-19N-20W VAC 70092/70538 CSTR VAC 83420 MSSSD EST MSSP COMPL. INT. NLT 660' FB REC. 5-16-16 (THOMAS) |

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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.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS
 DEWEY



NOTE:
 The information shown herein is for construction purposes ONLY.

BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

Operator: TAPSTONE ENERGY

Lease Name: McCormick 3-19-20

Well No.: 1H

ELEVATION:

2260' Cr. at Stake

Topography & Vegetation Location fell in slope rolling grass pasture.

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From South off U.S. Hwy. 60.

Distance & Direction From the Jct. of U.S. Hwy. 60 and St. Hwy. 34 in Vici, Ok., go 0.5± mile West on U.S. Hwy. 60 to the SE corner of Section 3, T19N - R20W.

This information was gathered with a GPS receiver with ±1 foot horiz./vert. accuracy.

DATUM: NAD-27
 LAT: 36°08'43.1"N
 LONG: 99°19'02.1"W
 LAT: 36.145301821°N
 LONG: 99.317245148°W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1611084
 Y: 419538

Invoice # 258445 Date of Drawing: April 21, 2016
 Date Staked: April 20, 2016

RKM

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell
 Oklahoma Lic. No. 1433

