

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

API NUMBER: 017 24921

Approval Date: 07/13/2016
Expiration Date: 01/13/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 13N Rge: 7W County: CANADIAN
SPOT LOCATION: NE NE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 165 2439

Lease Name: HRDY Well No: 1-11MH Well will be 165 feet from nearest unit or lease boundary.
Operator Name: PAYROCK ENERGY LLC Telephone: 4056088077 OTC/OCC Number: 23215 0

PAYROCK ENERGY LLC
3200 QUAIL SPRINGS PKWY STE 130
OKLAHOMA CITY, OK 73134-2612

FRANK HRDY JR & ROSE HRDY REVOCABLE TRUST
9414 NORTH ALFADALE ROAD
OKARCHE OK 73762

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	8978	6
2			7
3			8
4			9
5			10

Spacing Orders: 646566

Location Exception Orders: 201602628

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14326

Ground Elevation: 1258

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 310

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 4000

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: DUNCAN

H. SEE MEMO

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 225000

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: DUNCAN

HORIZONTAL HOLE 1

Sec 11 Twp 13N Rge 7W County CANADIAN

Spot Location of End Point: SE SW SW SE

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 2200

Depth of Deviation: 8952

Radius of Turn: 692

Direction: 178

Total Length: 4287

Measured Total Depth: 14326

True Vertical Depth: 8978

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

7/11/2016 - 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

7/11/2016 - 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/](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.

LOCATION EXCEPTION - 201602628

7/11/2016 - G60 - (E.O.) 11-13N-7W
X646566 MSSP
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 1000' FEL, NCT 1000' FWL
PAYROCK ENERGY, LLC.
REC. 7-8-16 (NORRIS)

MEMO

7/11/2016 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

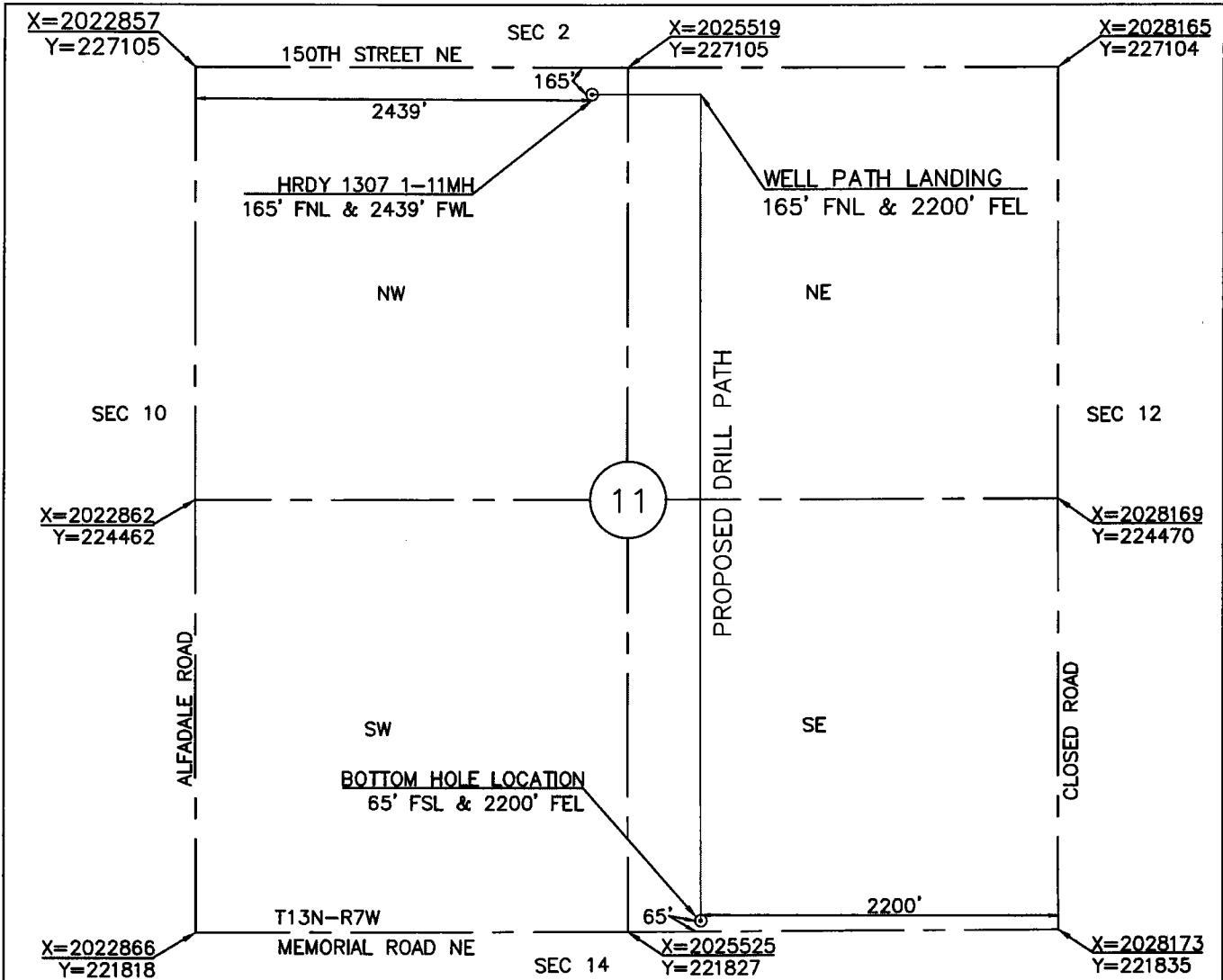
SPACING - 646566

7/11/2016 - G60 - (640)(HOR) 11-13N-7W
VAC 134009 SE4
EXT 634286 MSSP, OTHERS
POE TO BHL NCT 660' FB

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.



SCALE
1"=1000'

- NOTES**
1. This plot is not to be relied upon as a boundary survey.
 2. Information on this plot was gathered using GPS data having sub-meter accuracy.

BOTTOM HOLE LOCATION
 DATUM: NAD-27 (US FEET)
 LAT: 35°36'34.4"
 LONG: 97°54'45.5"
 LAT: 35.6095496
 LONG: 97.9126296
 X: 2025972
 Y: 221893
 BOTTOM HOLE INFORMATION PROVIDED BY OPERATOR AND WAS NOT SURVEYED IN THE FIELD

OPERATOR: PAYROCK ENERGY, LLC

WELL: HRDY 1307 #1-11MH

ELEVATION: 1258'

TOPOGRAPHY & VEGETATION: LOCATION FELL IN PLOWED FIELD

LOCATION ACCESSIBILITY: FROM NORTH OFF COUNTY ROAD

DIRECTIONS FROM TOWN, JCT, OR HWY:

FROM THE JUNCTION OF 150TH ST NE RD & HWY 81, GO 2 MILES

EAST TO THE NORTHWEST CORNER OF SECTION 11

***NO ALTERNATE LOCATION OR REFERENCE STAKES SET**

CERTIFICATE
 I, TROY DEE, AN OKLAHOMA LICENSED SURVEYOR DO HEREBY CERTIFY THAT THE ABOVE DESCRIBED WELL LOCATION WAS SURVEYED AND STAKED ON THE GROUND AS SHOWN HEREON.

Troy Dee

OKLAHOMA LICENSE NO. 1745

Golden Land Surveying

920 N.W. 139th St. Pkwy, Oklahoma City, Oklahoma 73013
 Telephone: (405) 802-7883
 C.A. #7283 Exp. Date: 8/30/2016
 troy@goldenl.com



DRAWING DATE:
5.17.16
DATE STAKED:
5.14.16
JOB #
PR160530

DATUM: NAD-27
 LAT: 35°37'24.3"
 LONG: 97°54'53.6"
 LAT: 35.6234150
 LONG: 97.9148879

STATE PLANE
 COORDINATES
 ZONE: OK NORTH
 X: 2025297
 Y: 226940



WELL NAME: HRDY 1307 #1-11MH

CANADIAN COUNTY, OKLAHOMA
 165' FNL-2439' FWL SECTION 11
 TOWNSHIP 13 NORTH, RANGE 7 WEST I.M.