API NUMBER: 017 24932

Horizontal Hole Oil & Gas

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

Approval Date: 08/24/2016
Expiration Date: 02/24/2017

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 14N Rge: 9W County: CANADIAN

SPOT LOCATION: SW SE SE SE FEET FROM QUARTER: FROM **SOUTH** FROM **EAST**
SECTION LINES: **250** **400**

Lease Name: RED SQUARE 16-14N-9W **Well No: 1H** **Well will be 250 feet from nearest unit or lease boundary.**

Operator Name: **DEVON ENERGY PRODUCTION CO LP** Telephone: 4052353611; 4052353 OTC/OCC Number: 20751 0

DEVON ENERGY PRODUCTION CO LP
333 W SHERIDAN AVE
OKLAHOMA CITY, OK 73102-5010

MIKE BOMHOFF
P.O. BOX 401
OKARCHE OK 73762

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	10540	6		
2	WOODFORD	11100	7		
3	HUNTON	11269	8		
4			9		
5			10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201603201
201603200

Special Orders:

Total Depth: 15395 Ground Elevation: 1449 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 460

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: 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** 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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31430

H. SEE MEMO

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: 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

HORIZONTAL HOLE 1

Sec 16 Twp 14N Rge 9W County CANADIAN

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 350

Depth of Deviation: 10153

Radius of Turn: 478

Direction: 1

Total Length: 4491

Measured Total Depth: 15395

True Vertical Depth: 11269

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category	Description
DEEP SURFACE CASING	8/11/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	8/11/2016 - 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/ 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.
INTERMEDIATE CASING	8/11/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
MEMO	8/11/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201603200	8/12/2016 - G75 - (I.O.) 16-14N-9W X201603201 MSSP, WDFD, HNTN COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 330 FEL NO OP. NAMED REC 8-23-2016 (NORRIS)

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.

Category	Description
PENDING CD - 201603201	8/12/2016 - G75 - (640)(HOR) 16-14N-9W EXT 593703 WDFD EXT 648601 MSSP, HNTN POE TO BHL (MSSP, HNTN) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST SP. ORDER # 193707 MSSSD, HNTN & ORDER # 199782 CSTR, MNNG, WDFD) REC 8-23-2016 (NORRIS)

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.

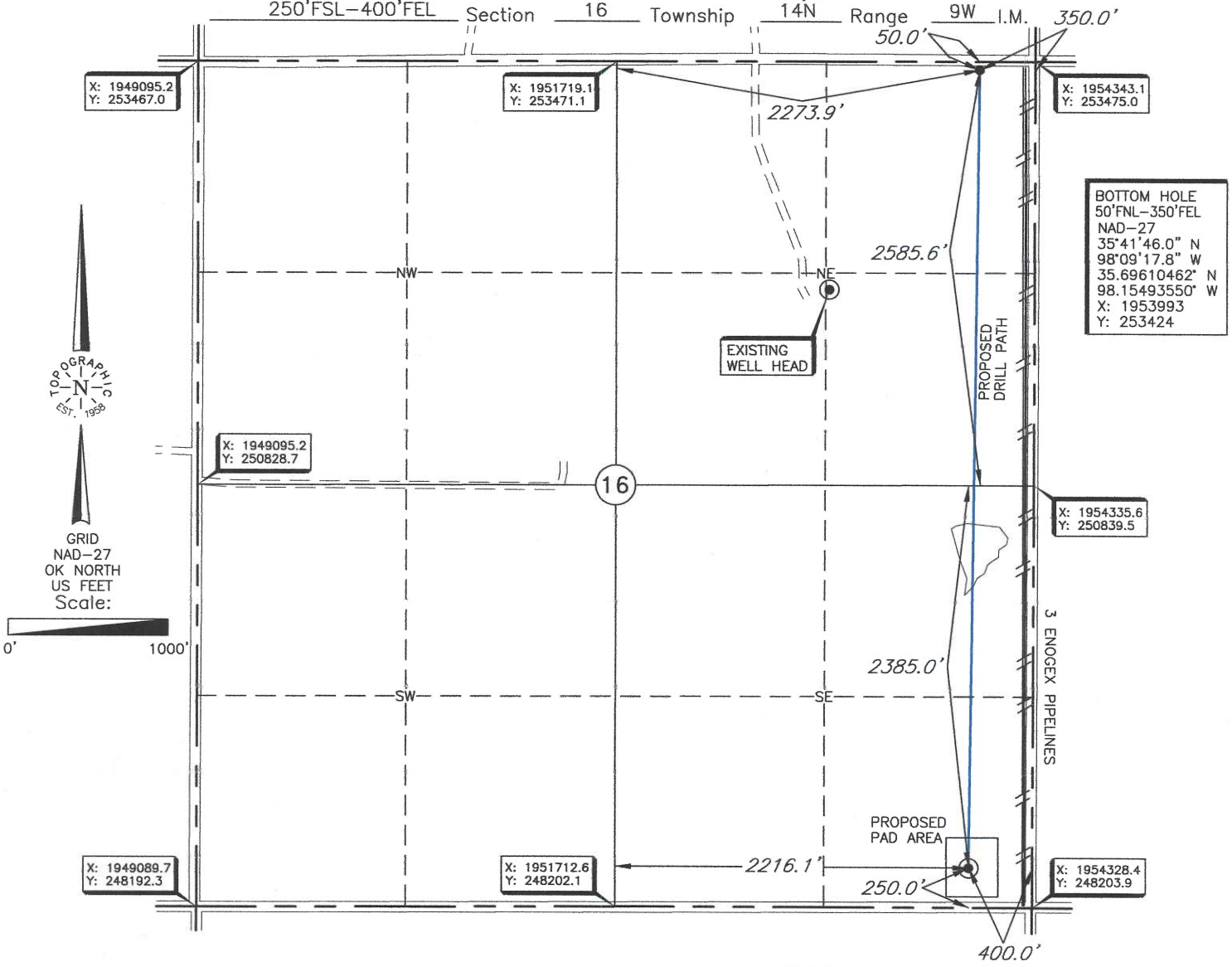
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

API 017-24932

CANADIAN County, Oklahoma

250'FSL-400'FEL Section 16 Township 14N Range 9W I.M.



BOTTOM HOLE INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

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

Operator: DEVON ENERGY PRODUCTION CO., LP

Lease Name: RED SQUARE 16-14N-9W Well No.: 1H

ELEVATION:
1449' Gr. at Stake

Topography & Vegetation Location fell in grass pasture, ±234' north of fence.

Good Drill Site? Yes

Reference Stakes or Alternate Location
Stakes Set None

Best Accessibility to Location From county road north of well location.

Distance & Direction
from Hwy Jct or Town From Calumet, OK., go north ±4.5 miles, then west ±2 miles to the Southeast Corner of Section 16, T14N-R9W.

This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.

DATUM: NAD-27
LAT: 35°40'56.8"N
LONG: 98°09'18.4"W
LAT: 35.68244858°N
LONG: 98.15512388°W

STATE PLANE COORDINATES (US FEET):
ZONE: OK NORTH
X: 1953929
Y: 248454

Date of Drawing: July 05, 2016
Invoice # 262281 Date Staked: Jun. 30, 2016 JGW

CERTIFICATE:

I, Lee K. Goss an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Oklahoma Reg. No. 1778

LICENSED PROFESSIONAL LAND SURVEYOR
LEE K. GOSS
1778
OKLAHOMA

07-01-16