

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

API NUMBER: 017 24935

Approval Date: 09/01/2016
Expiration Date: 03/01/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 10N Rge: 5W County: CANADIAN
SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 270 735

Lease Name: MCNEFF 22-10-5 Well No: 1H Well will be 270 feet from nearest unit or lease boundary.

Operator Name: LINN OPERATING INC Telephone: 4052412237; 4052412 OTC/OCC Number: 22182 0

LINN OPERATING INC
14701 HERTZ QUAIL SPRINGS PKWY
OKLAHOMA CITY, OK 73134-2641

LARRY E. MCNEFF & JANE M. MCNEFF
12800 SOUTH MUSTANG ROAD
MUSTANG OK 73064

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	8800	6	
2 WOODFORD	9196	7	
3		8	
4		9	
5		10	

Spacing Orders: 129673
654976

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602617
201602618

Special Orders:

Total Depth: 13831 Ground Elevation: 1192 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 170

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

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

B. Solidification of pit contents.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31571

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 22 Twp 10N Rge 5W County GRADY

Spot Location of End Point: C SW SW SW

Feet From: SOUTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 8600

Radius of Turn: 575

Direction: 185

Total Length: 4328

Measured Total Depth: 13831

True Vertical Depth: 9196

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

8/31/2016 - 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

8/31/2016 - 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.

MEMO

8/31/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - CANADIAN RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201602617

8/31/2016 - G75 - (E.O.) 22-10N-5W
X129673 MSSP
X654976 WDFD
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL
NO OP. NAMED
REC 8-31-2016 (THOMAS)

PENDING CD - 201602618

8/31/2016 - G75 - (E.O.) 22-10N-5W
X129673 MSSP
1 WELL
NO OP. NAMED
REC 8-31-2016 (THOMAS)

SPACING - 129673

8/31/2016 - G75 - (640) 22-10N-5W
EST MSSP

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

SPACING - 654976

8/31/2016 - G75 - (640)(HOR) 22-10N-5W
EXT 649768 WDFD
POE TO BHL NLT 165' FNL & FSL, NLT 330' FEL & FWL

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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.

API 017-24935

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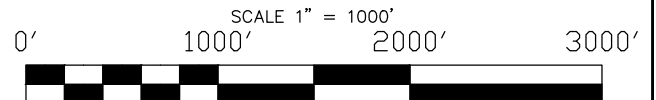
LINE	BEARING	DISTANCE
L1	S 34°02'49" W	722.77'
L2	S 02°30'45" E	4425.01'

22

RIVER SURVEY NOTE:
THE SECTION BOUNDARY SHOWN HEREON REPRESENTS THE CORRELATION BETWEEN THE SECTION CORNERS FOUND OF RECORD AND THE ORIGINAL GLO SURVEYS OF 1874 NORTH BANK OF THE RIVER AND 1899 SOUTH BANK OF THE RIVER. DUE TO THE MOVEMENT OF THE CANADIAN RIVER AND THE INSTABILITY OF ITS BANKS THE EXACT BOUNDARY OF THE GOVERNMENT LOTS IS NOT REPRESENTED HEREON. THERE MAY BE RIGHTS TO TITLE THAT ARE SUBSTANTIALLY AFFECTED BY RIPARIAN LAW RELATED TO THE CHANGE IN THE COURSE OF THE RIVER. LEGAL COUNSEL SHOULD BE SOUGHT BEFORE RELYING ON THE INFORMATION SHOWN HEREON RELATING TO THE DIVISION OF ACTUAL PROPERTY RIGHTS. ADDITIONALLY THE ORIGINAL GLO SURVEYS STATED ABOVE NEVER CROSSED SAID RIVER.

PLAT OF
LINN OPERATING, INC
McNEFF 22-10-5 1H
MINCO FIELD

SHL: 270' FSL & 735' FWL (OFF-SITE)
SECTION 15, TOWNSHIP 10 NORTH, RANGE 5 WEST IM.
LEASE LINES
SHL: 270' FNL & 735' FWL
SECTION 22, TOWNSHIP 10 NORTH, RANGE 5 WEST
GRADY/CANADIAN COUNTY, OKLAHOMA



- NOTE:
1. COMBINED SCALE FACTOR: 0.999953993
 2. SHL IS APPROXIMATELY 5.93 MILES N 59°12'01" E OF TUTTLE OKLAHOMA.

FILE: S:\OK\GRADY\PROJECTS\GRADY MAIN NAD27_OK_S_009US.dwg

LEGEND	
●	POINT
⊙	SURFACE HOLE LOCATION
⊕	PENETRATION POINT
⊙	FIRST TAKE POINT
⊙	LAST TAKE POINT
⊙	BHL BOTTOM HOLE LOCATION
⊙	OKLAHOMA CORPORATION COMMISSION
—	AS-DRILLED LATERAL
—	SUBJECT PROPOSED LATERAL
—	PROPOSED LATERAL
—	LEASE LINE
—	SURVEY LINE

ORIGINAL STAKE DATE: 06/24/16
ADDED LATERAL DATE: 08/08/16

- NOTE:
1. BEARINGS, DISTANCES & ACREAGE ARE GRID, NAD 27 US OK SOUTH ZONE AND ARE OBTAINED BY NORMAL GPS TECHNIQUES.
 2. ELEVATIONS ARE BASED ON NAVD 88.
 3. THIS SURVEY IS FOR AN OIL & GAS SUB-SURFACE LEASE AND IS NOT A BOUNDARY SURVEY.
 4. LOCATION OF ADJOINING WELLS OUTSIDE LEASE BOUNDARY ARE APPROXIMATED FROM OKLAHOMA CORPORATION COMMISSION DATA.
 5. DOWNHOLE INFORMATION PROVIDED BY THE CLIENT.
 6. THIS SURVEY COMPLIES WITH THE US PUBLIC LAND SURVEY SYSTEM AND MEETS THE OKLAHOMA MINIMUM STANDARDS FOR THE PRACTICE OF LAND SURVEYING AS ADOPTED BY THE OKLAHOMA STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS, EFFECTIVE JULY 25, 2013.
 7. THIS IS NOT A BOUNDARY SURVEY.

John F. Watson & Company
LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
200 N. Loraine, Ste. 220
Midland, Texas 79701
jwatson@windarwater.com

CA#5957 EXPIRATION 6-30-2017
200 N LORAIN #220
MIDLAND, TX 79701
(432) 520-2400

REV: -	AFE NO.: -	JOB NO.: 16-0106
FIELD BOOK: SERVER	VER: 1	DRAWN BY: EHM

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

PROFESSIONAL LAND SURVEYOR

08/08/16

SHEET 1 OF 5