

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

API NUMBER: 029 21350

Approval Date: 12/29/2016

Expiration Date: 06/29/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 2N Rge: 9E

County: COAL

SPOT LOCATION: SW SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 328 225

Lease Name: LDC

Well No: #1-23/26H

Well will be 225 feet from nearest unit or lease boundary.

Operator Name: CANYON CREEK ENERGY OPERATING LLC

Telephone: 9185616737

OTC/OCC Number: 23443 0

CANYON CREEK ENERGY OPERATING LLC
2431 E 61ST ST STE 400
TULSA, OK 74136-1237

DPC LAND LLC
ROUTE 4, BOX 1420
COALGATE OK 74538

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

Name	Depth	Name	Depth
1 WOODFORD	6470	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201605953

Special Orders:

Total Depth: 11920

Ground Elevation: 747

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

Type of Mud System: AIR

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: BOGGY

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

H. SEE MEMO

F. Haul to Commercial soil farming facility: Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 551649

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: 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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: BOGGY

PIT 3 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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: BOGGY

HORIZONTAL HOLE 1

Sec 23 Twp 2N Rge 9E County COAL

Spot Location of End Point: S2 S2 SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 6020

Radius of Turn: 573

Direction: 185

Total Length: 5000

Measured Total Depth: 11920

True Vertical Depth: 6475

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

COMPLETION INTERVAL

12/28/2016 - G60 - WILL BE LEGAL (165' FNL/FSL AND 330' FEL/FWL) PER OPERATOR

DEEP SURFACE CASING

12/28/2016 - 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

This permit does not address the right of entry or settlement of surface damages.

029 21350 LDC #1-23/26H

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
HYDRAULIC FRACTURING	12/28/2016 - 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.
MEMO	12/28/2016 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201605953	12/28/2016 - G60 - (E.O.)(640) 23-2N-9E EST WDFD COMPL. INT. NLT 165' FNL/FSL, NLT 330' FEL/FWL CANYON CREEK OPERATING, LLC. REC. 12/23/16 (JOHNSON)

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.

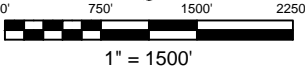


Well Location Plat

S.H.L. Sec. 13-2N-9E I.M.
B.H.L. Sec. 26-2N-9E I.M.

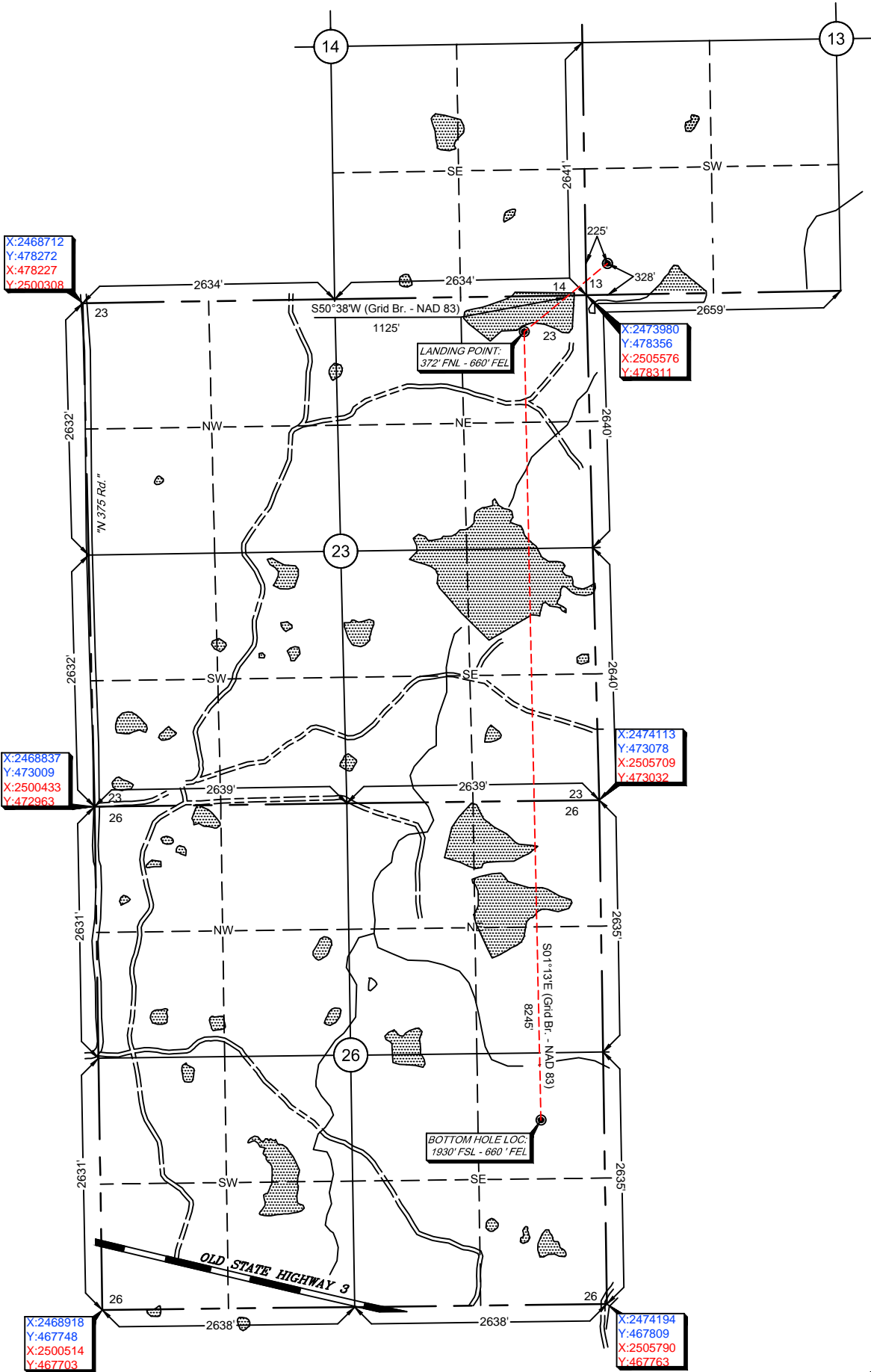
Operator : CANYON CREEK ENERGY
Lease Name and No. : LDC #1-23/26H
Footage : 328' FSL - 225' FWL GR. ELEVATION : 747' Good Site? YES
Section : 13 Township : 2N Range : 9E I.M.
County : Coal State of Oklahoma
Alternate Loc. : N/A
Terrain at Loc. : Location fell in open pasture, slopes down from North side of location to South.

Accessibility : From the South.
Directions : From the junction of Highway 3 & "Broadway Rd." in Centrahoma, OK, go 0.8 mile North, turn right and go 0.2 mile on "3rd Street", turn right and go 0.3 mile on "Greg Avenue", then turn right and go 0.6 mile on "N 3750 Rd." to the Cody Ranch entrance.



GPS DATUM
NAD - 83
OK SOUTH ZONE
GPS DATUM
NAD - 27
OK SOUTH ZONE

Surface Hole Loc.:
Lat: 34°38'13.64"N
Lon: 96°19'07.43"W
X: 2474200
Y: 478688
Surface Hole Loc.:
Lat: 34°38'13.30"N
Lon: 96°19'06.42"W
X: 2505796
Y: 478642
Landing Point:
Lat: 34°38'06.72"N
Lon: 96°19'17.98"W
X: 2473330
Y: 477974
Landing Point:
Lat: 34°38'06.39"N
Lon: 96°19'16.98"W
X: 2504926
Y: 477928
Bottom Hole Loc.:
Lat: 34°36'45.16"N
Lon: 96°19'17.53"W
X: 2473505
Y: 469731
Bottom Hole Loc.:
Lat: 34°36'44.83"N
Lon: 96°19'16.53"W
X: 2505101
Y: 469686



Please note that this location was stated on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.

NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

survey and plat by,
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2018

Certification:
This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Invoice #6764-B
Date Staked : 11/17/16 By : H.S.
Date Drawn : 11/22/16 By : C.S.
Rev. Lease Name : 12/29/16 By : C.S.

LANCE G. MATHIS
12/29/16
OK LPLS 1664

