

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 A

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

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).

Approved Method for disposal of Drilling Fluids:

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 14 Twp 2N Rge 9E County COAL

Spot Location of End Point: SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 700

Depth of Deviation: 6020

Radius of Turn: 573

Direction: 185

Total Length: 8149

Measured Total Depth: 14624

True Vertical Depth: 6475

End Point Location from Lease,  
Unit, or Property Line: 175

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

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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 <a href="http://FRACFOCUS.ORG/">HTTP://FRACFOCUS.ORG/</a> 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)

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