API NUMBER: 087 22062

Oil & Gas

Horizontal Hole

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

Approval Date: 02/13/2017
Expiration Date: 08/13/2017

PERMIT TO DRILL

WELL LOCATION:	Sec:	07	Twp:	5N	Rge:	1E	County:	MCCLAIN
----------------	------	----	------	----	------	----	---------	---------

SPOT LOCATION: NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST SECTION LINES: 260 381

Lease Name: ELLIS 5N 1E Well No: 7 1HX Well will be 260 feet from nearest unit or lease boundary.

Operator CHARTER OAK PRODUCTION CO LLC Telephone: 4052860361 OTC/OCC Number: 21672 0

CHARTER OAK PRODUCTION CO LLC 13929 QUAIL POINTE DR

OKLAHOMA CITY. OK 73134-1037

TOBY & KIM ELLIS 34242 150TH STREET

WAYNE OK 73095

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

Depth Name Depth PENN BASAL UNCONF SAND 1 5930 6 2 WOODFORD 6050 7 3 HUNTON 6200 8 9 10 659016 Spacing Orders: Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201700721 Special Orders:

201700911

Total Depth: 15901 Ground Elevation: 1057 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 200

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

H. SEE MEMO

PIT 1 INFORMATION Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: WATER BASED B. Solidification of pit contents.

Chlorides Max: 5000 Average: 3000

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Is depth to top of ground water greater than 10ft below base of pit? Y

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

PIT 2 INFORMATION

Type of Pit System: ON SITE

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: 3
Liner required for Category: 3
Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 18 Twp 5N Rge 1E County MCCLAIN

Spot Location of End Point: SE SW SW SW Feet From: SOUTH 1/4 Section Line: 165
Feet From: WEST 1/4 Section Line: 381

Depth of Deviation: 5338
Radius of Turn: 750
Direction: 180
Total Length: 9385

Measured Total Depth: 15901

True Vertical Depth: 6200

End Point Location from Lease.

Unit, or Property Line: 165

Notes:

Category Description

DEEP SURFACE CASING 2/10/2017 - 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 2/10/2017 - 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 2/10/2017 - G71 - PIT 1 & 2 - 20-MIL LINER REQUIRED; PIT 2 - OBM TO VENDOR, OBM CUTTINGS

PER DISTRICT

PENDING CD - 201700721 2/13/2017 - G75 - (E.O.) 7 & 18-5N-1E

EST MULTIUNIT HORIZONTAL WELL X659016 BPUNC, WDFD, HNTN

(BPUNC, HNTN ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD)

50% 7-5N-1E 50% 18-5N-1E NO OP. NAMED

REC 2-10-2017 (LEAVITT)

Category Description

2/13/2017 - G75 - (E.O.) 7 & 18-5N-1E X659016 BPUNC, WDFD, HNTN PENDING CD - 201700911

SHL (7-5N-1E) NCT 165' FNL, NCT 330' FWL

COMPL. INT. (7-5N-1E) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (18-5N-1É) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL

NO OP. NAMÈD

REC 2-10-2017 (LEAVITT)

SPACING - 659016

2/13/2017 - G75 - (640)(HOR) 7 & 18-5N-1E EST BPUNC, WDFD, HNTN, OTHERS POE TO BHL (BPUNC, HNTN) NCT 660' FB

POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST SP. ORDER # 216588 BPUNC, HNTN NE4 7-5N-1E)

Permit Plat

M & M Land Surveying, Inc. 520 "E" Street NW. Ardmore, OK. 73401

API 087-22062

Office 580-226-0446 Mobile 580-221-4999 Lease Name: Company Name: <u>Charter Oak Prod. Co.</u> Ellis 5N 1E 7 1HX Section 7 Township 5 North Range 1 East Oklahoma County McClain Elevation Surface Location 260' FNL - 381' FWL 1057 ALL SECTION CORNER COORDINATES ARE NAD 27 Bearings are GRID NORTH Surface Location 260' FNL N:581074.48' N:581050.46' 381' FWL N 89°44'17" E E:2230794.88' E:2225540.14' 165' Hard Line 80 S 00°26'01" E 499,31' Landing Point LOT 1 760' FŇL Scale: 1" = 1500' 381' FWL Job # 17033 Date 1/24/17 NAD 27 OK SOUTH LOT 2 S Surface Location 00°29'18" 00°26'45" Latitude: 34.926973° Longitude: 97.246313° Section 7 T5N + R1E Y= 580793' X = 2,225,923' 40 Landing Point П N= 580,293' LOT 3 E = 2,225,927Bottom Hole 330' Hard Line N= 570,661' E = 2,226,001NAD 83 OK SOUTH Surface Location LOT 4 Latitude: 34.927049° Longitude: 97.246616° N:575801.27' N:575776.04' Y= 580,836' X = 2,194,327' N 89°43'30" E E:2230839.82' E:2225581.20' 5258.68 Landing Point N= 580,337' E = 2,194,331' LOT 1 Bottom Hole N= 570,705' E = 2,194,405' LOT 2 S 00°31'05" 00°26'01" Section 18 T5N + R1E Ш LOT 3 D. Harry McClintick, R.P.L.S. # 1367, CA # 3093 This location has been staked according to the best official survey records available to us, but its accuracy is not guaranteed. Please review this plat and notify us immediately of any discrepancy. **Bottom Hole** 165' FSL LOT 4 381' FWL <u>N 89°3</u>9'41" E ∠165' <u>Hard L</u>ine N:570525.04' N:570493.91' E-2230887.54 E:2225621.17 D. HARRY 5266.46 MCCLINTICK OKLAHOMP TO THE