

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

API NUMBER: 043 23504

Approval Date: 03/10/2017
Expiration Date: 09/10/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 19N Rge: 18W County: DEWEY
SPOT LOCATION: NE NW NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 260 1860

Lease Name: ROY 26-19-18 Well No: 1H Well will be 260 feet from nearest unit or lease boundary.
Operator Name: TAPSTONE ENERGY LLC Telephone: 4057021600 OTC/OCC Number: 23467 0

TAPSTONE ENERGY LLC
100 E MAIN ST
OKLAHOMA CITY, OK 73104-2509

JAMES L. ROY & KATHY ZO ROY
RT. 2, BOX 159
VICI OK 73859

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	12000	6
2			7
3			8
4			9
5			10

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201700807
201700808

Special Orders:

Total Depth: 16900 Ground Elevation: 1901 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 280

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: 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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32266
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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 26 Twp 19N Rge 18W County DEWEY

Spot Location of End Point: N2 N2 NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 11425

Radius of Turn: 477

Direction: 5

Total Length: 4726

Measured Total Depth: 16900

True Vertical Depth: 12000

End Point Location from Lease,
Unit, or Property Line: 165

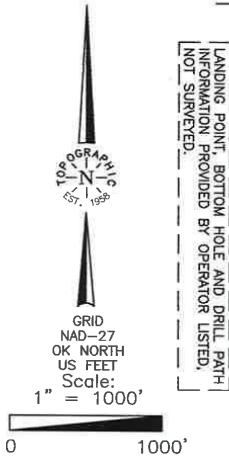
Notes:

Category	Description
DEEP SURFACE CASING	3/8/2017 - 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	3/8/2017 - 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
INTERMEDIATE CASING	3/8/2017 - 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	3/8/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201700807	3/10/2017 - G75 - (640)(HOR) 26-19N-18W VAC 99842 CSTR EST MSSP COMPL. INT. NLT 660' FB REC 2-28-2017 (THOMAS)
PENDING CD - 201700808	3/10/2017 - G75 - (I.O.) 26-19N-18W X201700807 MSSP COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 660' FWL NO OP. NAMED REC 2-28-2017 (THOMAS)

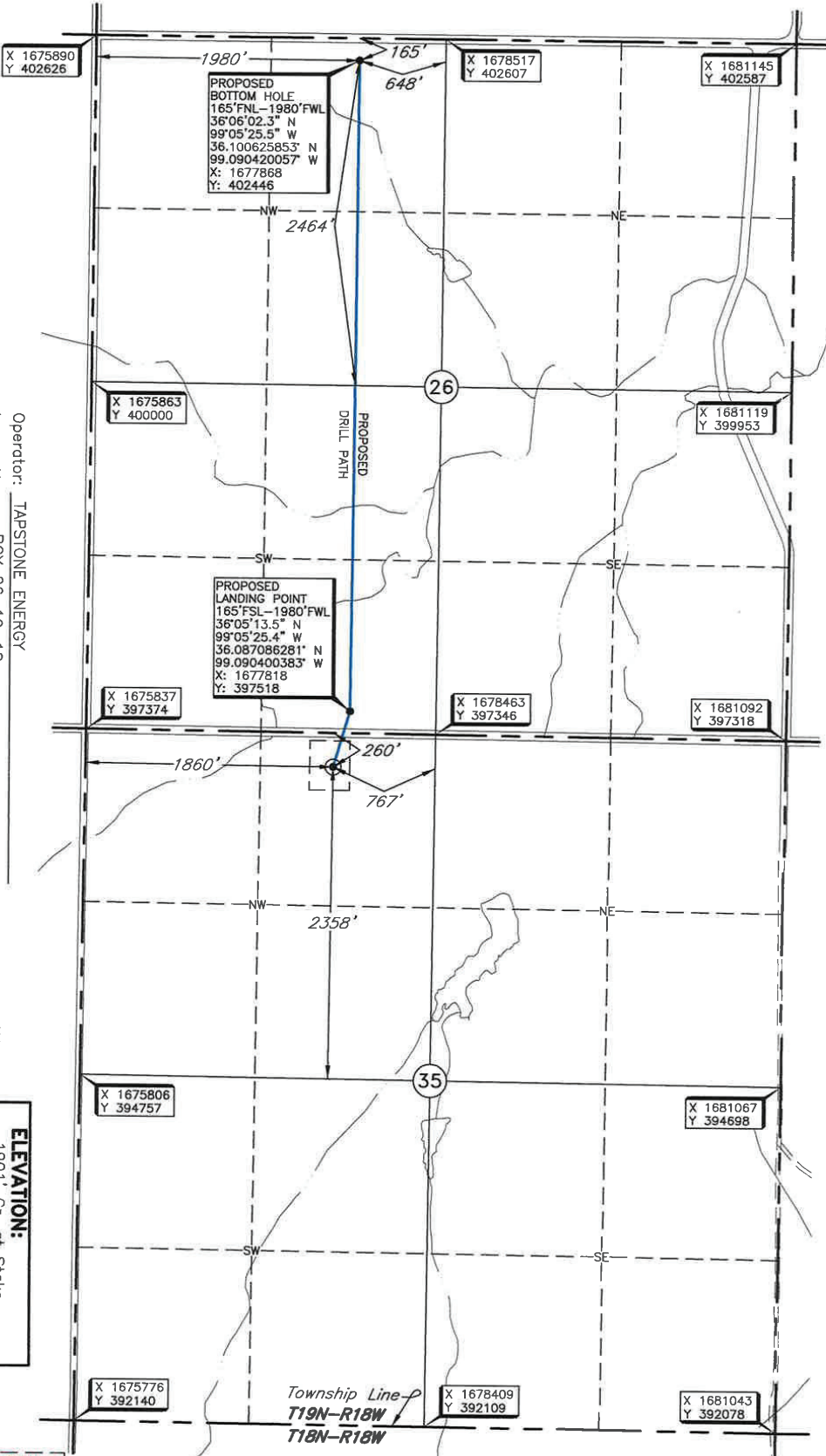
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

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.

DEWEY County, Oklahoma
 260' FNL-1860' FWL Section 35 Township 19N Range 18W I.M.



LANDING POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.



Operator: TAPSTONE ENERGY
 Lease Name: ROY 26-19-18
 Topography & Vegetation Loc. fell in terraced grass pasture
 Well No.: 1H
 Reference Stakes or Alternate Location
 Stakes Set None
 Good Drill Site? Yes
 Best Accessibility to Location From North off county road
 Distance & Direction From the junction of St. Hwy 51/US Hwy 60 & US Hwy 281/US Hwy 270 in Sealing, Oklahoma, go ± 9.75 miles West on St. Hwy 51/US Hwy 60, then ± 4 miles South to the Northwest Corner of Section 35, T19N-R8W.

ELEVATION:
 1901' Gr. at Stake

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

DATUM: NAD-27
 LAT: 36°05'09.3" N
 LONG: 99°05'26.9" W
 LAT: 36.085918795° N
 LONG: 99.090806305° W
 STATE PLANE
 COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 1677694
 Y: 397094

Date of Drawing: Feb. 24, 2017
 Invoice # 269676 Date Staked: Feb. 22, 2017 NMB

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Thomas L. Howell
 Oklahoma Lic. No. 1433

