

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

API NUMBER: 093 25060

Approval Date: 03/21/2017  
Expiration Date: 09/21/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 26 Twp: 22N Rge: 14W County: MAJOR  
SPOT LOCATION:  SW  SW  SW  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 151 159

Lease Name: DORA BELL BACH Well No: 1-35H Well will be 151 feet from nearest unit or lease boundary.  
Operator Name: FAIRWAY RESOURCES OPERATING III LLC Telephone: 8176010628 OTC/OCC Number: 23943 0

FAIRWAY RESOURCES OPERATING III LLC  
538 SILICON DR STE 101  
SOUTHLAKE, TX 76092-7517

WILLIS B. REESE AND DEBORAH L. REESE  
46243 S. COUNTY RD 244  
FAIRVIEW OK 73737

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	7570	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 67813 Location Exception Orders: 661899 Increased Density Orders: 661949

Pending CD Numbers:

Special Orders:

Total Depth: 13020 Ground Elevation: 1414 **Surface Casing: 900** Depth to base of Treatable Water-Bearing FM: 510

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No 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: 55000 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: FLOWERPOT

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32139  
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 35 Twp 22N Rge 14W County MAJOR

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 630

Depth of Deviation: 7214

Radius of Turn: 477

Direction: 178

Total Length: 5057

Measured Total Depth: 13020

True Vertical Depth: 7580

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

Notes:

Category	Description
DEEP SURFACE CASING	3/21/2017 - 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
HYDRAULIC FRACTURING	3/21/2017 - 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 <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
INCREASED DENSITY - 661949	3/21/2017 - G60 - (I.O.) 35-22N-14W X67813 MSSLM 1 WELL FAIRWAY OPERATING III, LLC. OR FAIRWAY RESOURCES III, LLC. 3-15-17
LOCATION EXCEPTION - 661899	3/21/2017 - G60 - (I.O.) 35-22N-14W X67813 MSSLM COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 560' FWL FAIRWAY OPERATING III, LLC. OR FAIRWAY RESOURCES III, LLC. 3-14-17
SPACING - 67813	3/21/2017 - G60 - (640) 35-22N-14W EST MSSLM

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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.



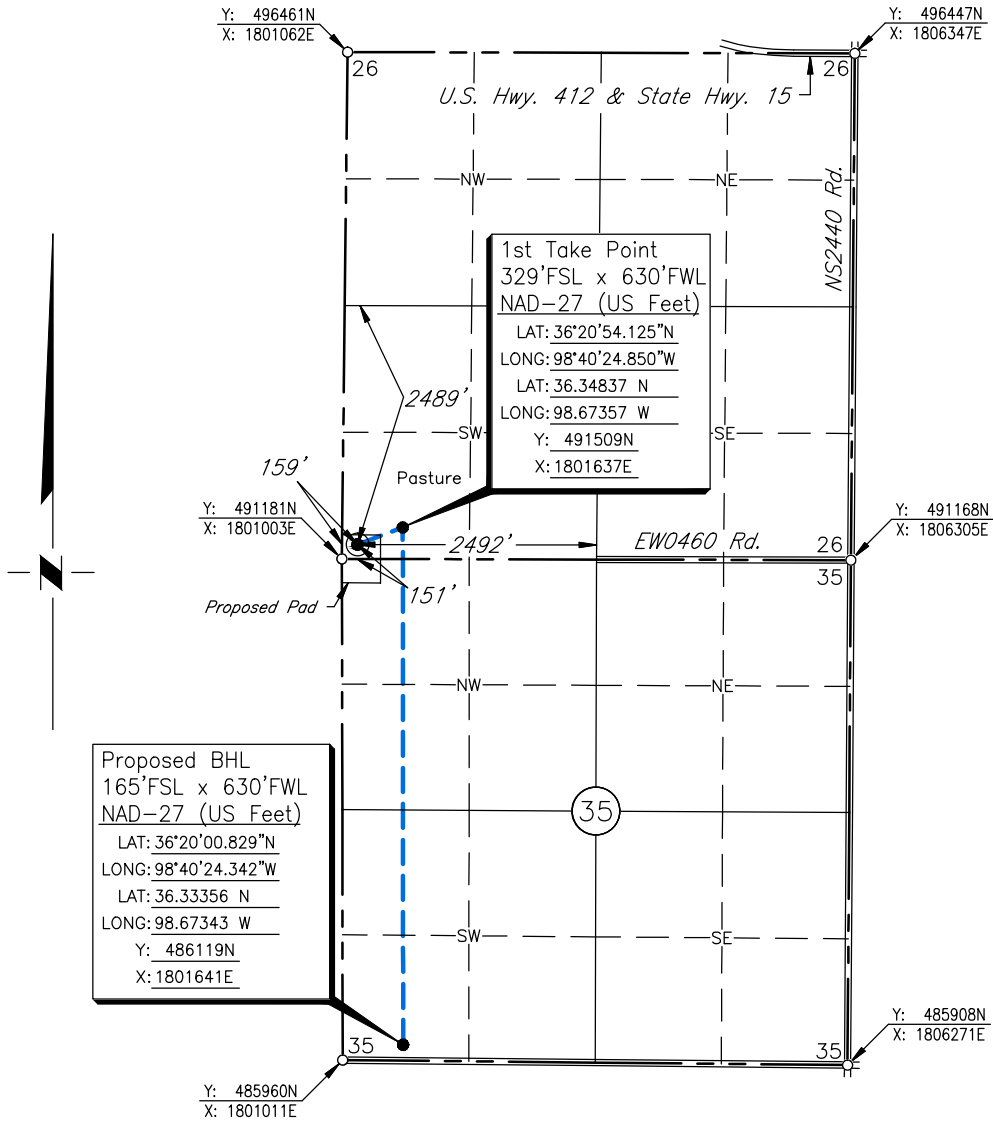
**CIMARRON**  
SURVEYING & MAPPING CO.

Oklahoma City, OK  
(405) 692-7348  
CIMSURVEY.COM

C.A. No. 1780 Expires June 30, 2018

3509325060

MAJOR \_\_\_\_\_ County, Oklahoma  
151'FSL – 159'FWL Section 26 Township 22N Range 14W I.M.



Scale: 1" = 2000'

Date Staked: January 11, 2017

GPS Observation: Latitude 36°20'52.341" N  
Longitude 98°40'30.615" W  
Latitude 36.34787 N  
Longitude 98.67517 W

State Plane NAD27 Y: 491331N  
Oklahoma North Zone: X:1801164E

Operator: FAIRWAY RESOURCES OPERATING III, LLC

Elevation: 1414'

Lease Name: Dora Bell Bach

Well No.: 1-35H

Topography & Vegetation: Pasture

Alternate Location Stakes Set: No

Good Drill Site? Yes

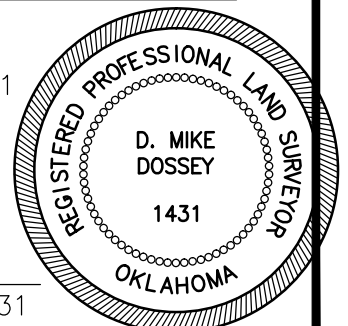
Best Accessibility to Location: From the South Line

Distance & Direction

from Hwy Jct or Town: From the Cheyenne Valley; Thence south approx. 1.5 miles to the Southeast Corner of Section 26.

SURVEYOR'S CERTIFICATE:

I, D. MIKE DOSSEY, Registered Professional Land Surveyor, No. 1431 do hereby certify that the above described well location was carefully staked on the ground as shown and that all ties and distances shown are from existing lines of occupation.



**PRELIMINARY**

D. MIKE DOSSEY R.P.L.S. # 1431

JOB NO.:	171408A			
DATE:	02/03/17	1	ADDED BHL	03/21/17 N.J.S.
DRAWN BY:	T.A.W.	NO.	REVISION	DATE BY