

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

API NUMBER: 029 21360

Approval Date: 05/09/2017

Expiration Date: 11/09/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 2N Rge: 8E

County: COAL

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 1443 277

Lease Name: BOLES

Well No: #1-2/11/14H

Well will be 277 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

JAMES G. BOLES
400 7TH STREET SW
CHILDRESS TX 79201

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	6200	6	
2	WOODFORD	6450	7	
3	HUNTON	6600	8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201702725
201702726
201702727

Special Orders:

Total Depth: 16000

Ground Elevation: 668

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 410

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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. 17 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 8E County COAL

Spot Location of End Point: S2 S2 SE SE

Feet From: SOUTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 4500

Radius of Turn: 637

Direction: 184

Total Length: 10500

Measured Total Depth: 16000

True Vertical Depth: 6600

End Point Location from Lease,

Unit, or Property Line: 1

Notes:

Category

Description

DEEP SURFACE CASING

5/3/2017 - 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

5/3/2017 - 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/](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

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

029 21360 BOLES #1-2/11/14H

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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.

Category	Description
MEMO	5/3/2017 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201702725	5/4/2017 - G60 - (E.O.)(640)(HOR) 2, 11 & 14-2N-8E EST MSSP, WDFD, HNTN COMPL. INT. (MSSP, HNTN) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL (COEXIST WITH SP. ORDER 282388 HNTN -SECTION 2; SP. ORDER 146310 HNTN SECTION 11; SP. ORDER 243181 HNTN W2 SECTION 14; SP. ORDER 172779 S2 SE4 SECTION 14) REC. 5/9/17 (MCKEOWN)
PENDING CD - 201702726	5/4/2017 - G60 - (E.O.) 2, 11, & 14-2N-8E EST MULTIUNIT HORIZONTAL WELL X201702725 MSSP, WDFD, HNTN (MSSP AND HNTN ARE ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD) 42% 14-2N-8E 44% 11-2N-8E 14% 2-2N-8E CANYON CREEK ENERGY OPERATING, LLC. REC. 5/9/17 (MCKEOWN)
PENDING CD - 201702727	5/4/2017 - G60 - (E.O.) 2, 11, 14-2N-8E X201702725 MSSP, WDFD, HNTN COMPL. INT. (2-2N-8E) NCT 2640' FNL, NCT 0' FSL, NCT 330' FEL COMPL. INT. (11-2N-8E) NCT 0' FNL, NCT 0' FSL, NCT 330' FEL COMPL. INT. (14-2N-8E) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL CANYON CREEK ENERGY OPERATING, LLC. REC. 5/9/17 (MCKEOWN)
TEMP AUTH TO DRILL	5/5/2017 - G60 - EXPIRES 5/11/17
WATERSHED STRUCTURE	5/3/2017 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 927-3414 PRIOR TO DRILLING

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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.

3502921360

API NUMBER: 000 00000

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

Approval Date:

Expiration Date:

Horizontal Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 2N Rge: 8E County: COAL

SPOT LOCATION: SW SE NE SE FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 1443 277

Lease Name: BOLES

Well No: #1-2/11/14H

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Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201702725
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LE
> Hearings 5/9 E.O.

Special Orders:

Total Depth: 16000

Ground Elevation: 668

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 410

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

Boggy fm.

551649

E. Haul to Commercial pit facility: Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 55169

**TEMPORARY AUTHORIZATION
TO DRILL**

Expiration Date: 5/11/17

Signature: Virginia Hallinger
165:10-1-1

Air - onsite

Water based - closed
max 8000, 5000 ave ppm

Oil based - closed
max 300,000 - 200,000 ave ppm

Pits - Pits 2 & 3 closed system =
steel pits per operator request,
PIT 3 - OBM returned to vendor,
Cullings permitted per district

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Office of the Conservation Division as to when Surface Casing will be run.

HORIZONTAL HOLE 1

Sec 14 Twp 2N Rge 8E County COAL

Spot Location of End Point: C SE SE

Feet From: SOUTH 1/4 Section Line 211

Feet From: EAST 1/4 Section Line: 560

Depth of Deviation: 4500

Radius of Turn: 700 637

Direction: 180 184

Total Length: 10500

Measured Total Depth: 16000

True Vertical Depth: 5500

End Point Location from Lease,

Unit, or Property Line: 21

Application for Intent to Drill

Deep surface casing - approved; notify OCC Field Inspector immediately of any loss of circulation or failure to circulate cement to surface on any conductor or surface casing.

Watershed structure - well within 1/2 mile of an Oklahoma Conservation Commission watershed structure, contact the local Conservation district office at 580-927-3414 prior to drilling.



Well Location Plat

S.H.L. Sec. 2-2N-8E I.M.
B.H.L. Sec. 14-2N-8E I.M.

Operator: CANYON CREEK ENERGY

3502921360

Lease Name and No. : BOLES 1-2/11/14H

Footage : 1443' FSL - 277' FEL GR. ELEVATION : 668' Good Site? YES

Section: 2 Township: 2N Range: 8E I.M.

County : Coal State of Oklahoma

Terrain at Loc. : Location fell in open pasture, slopes down from South side of location to the North.

Accessibility : From the South.

Directions : From the intersection of Hwy 3 and Hwy 48 in the town of Tupelo, OK, go 4.8 miles North on Hwy 48 to be at proposed lease road entrance in the SE/4 of Section 2-2N-8E.



1"=1500'

GPS DATUM

NAD - 83

OK SOUTH ZONE

GPS DATUM

NAD - 27

OK SOUTH ZONE

Surface Hole Loc.:
Lat: 34°40'10.07"N
Lon: 96°25'30.21"W
X: 2442037
Y: 489941

Surface Hole Loc.:
Lat: 34°40'09.74"N
Lon: 96°25'29.20"W
X: 2473633
Y: 489895

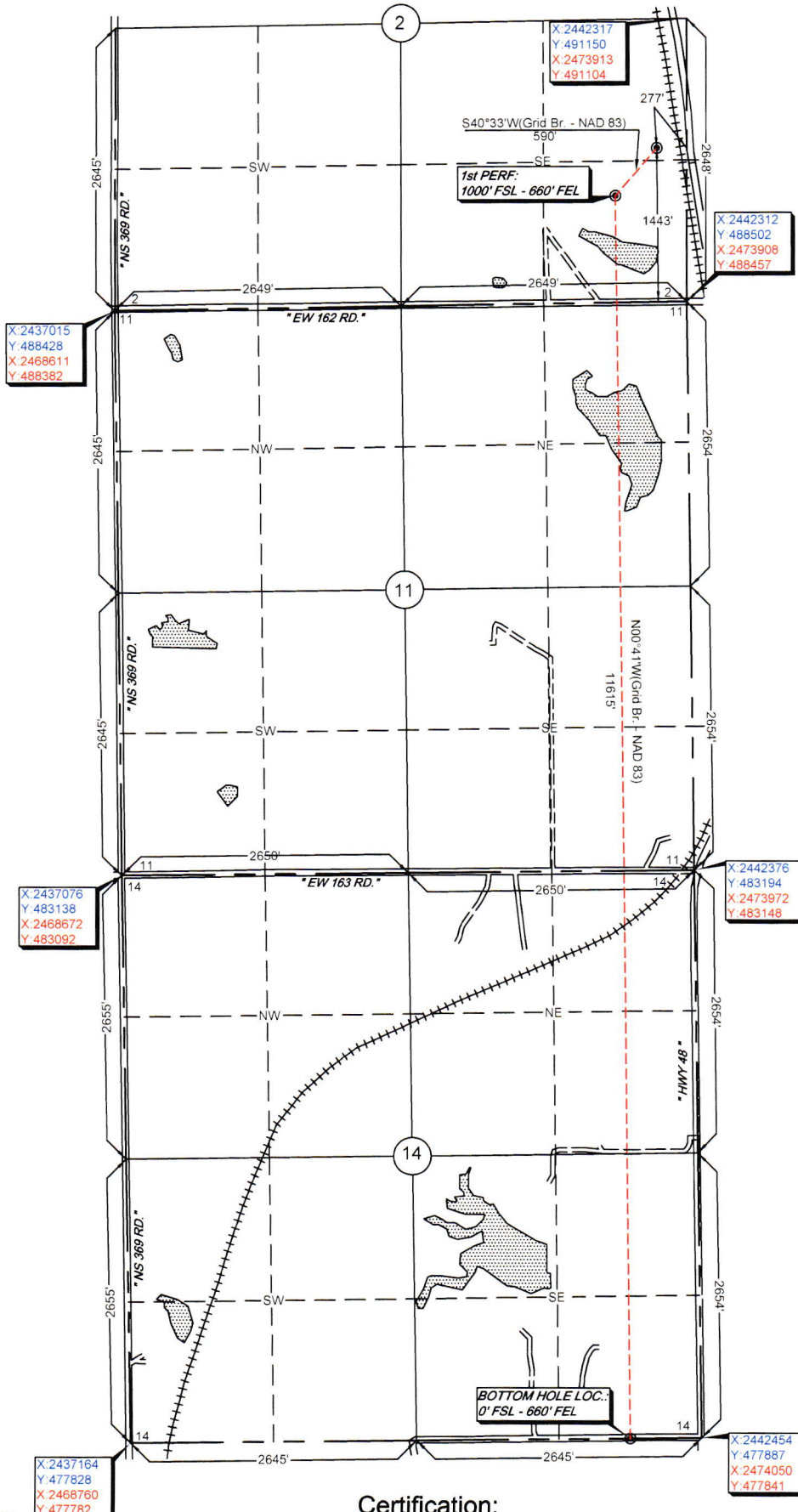
1st Perf:
Lat: 34°40'05.70"N
Lon: 96°25'34.88"W
X: 2441653
Y: 489493

1st Perf:
Lat: 34°40'05.37"N
Lon: 96°25'33.87"W
X: 2473249
Y: 489447

Bottom Hole Loc.:
Lat: 34°38'10.81"N
Lon: 96°25'35.37"W
X: 2441794
Y: 477879

Bottom Hole Loc.:
Lat: 34°38'10.48"N
Lon: 96°25'34.36"W
X: 2473390
Y: 477834

Please note that this location was staked 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.



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.

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.

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

Invoice #6978-B

Date Staked : 02/28/17

By : H.S.

Date Drawn : 03/02/17

By : K.B.

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.

LANCE G. MATHIS

03/08/17

OK LPLS 1664

