

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

API NUMBER: 051 24319

Approval Date: 04/06/2018
Expiration Date: 10/06/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 10N Rge: 8W

County: GRADY

SPOT LOCATION: NE NE NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 280 1052

Lease Name: COTTONWOOD 32-10-8

Well No: 1H

Well will be 280 feet from nearest unit or lease boundary.

Operator Name: JONES ENERGY LLC

Telephone: 5123282953

OTC/OCC Number: 21043 0

JONES ENERGY LLC
807 LAS CIMAS PKWY STE 350
AUSTIN, TX 78746-6193

WILLIAM M AND ANNETTE M MARTIN
13113 S W 47TH STREET
MUSTANG OK 73064

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	12435	6	
2	WOODFORD	13665	7	
3	HUNTON	13815	8	
4			9	
5			10	

Spacing Orders: 201802312

Location Exception Orders: 201802314

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 18450

Ground Elevation: 1457

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 230

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: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

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

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-34179

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 32 Twp 10N Rge 8W County GRADY

Spot Location of End Point: S2 SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 12759

Radius of Turn: 477

Direction: 190

Total Length: 4942

Measured Total Depth: 18450

True Vertical Depth: 13815

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

Notes:

Category	Description
DEEP SURFACE CASING	3/30/2018 - 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	3/30/2018 - G71 - OCC 165:10-3-10 REQUIRES: 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE; 2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML ; AND, 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG
PENDING CD - 201802312	4/5/2018 - G58 - (640)(HOR) 32-10N-8W VAC 101031 HNTN VAC 98732 CSTR, MSSLM VAC 583792 WDFD EXT 671701 MSSP, WDFD, HNTN COMPL. INT. (MSSP, HNTN) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL HEARING 4/16/2018
PENDING CD - 201802314	4/5/2018 - G58 - (I.O.) 32-10N-8W X201802312 MSSP, WDFD, HNTN COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FWL NO OP. NAMED HEARING (4/16/2018)

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.

051 24319 COTTONWOOD 32-10-8 1H

JONES Well Location Plat

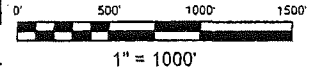
Sec. 32-10N-8W I.M.

Operator: JONES ENERGY, LTD.
 Lease Name and No.: COTTONWOOD 32-10-8 1H
 Footage: 280' FNL - 1052' FWL Gr. Elevation: 1457'
 Section: 32 Township: 10N Range: 8W I.M.
 County: Grady State of Oklahoma
 Terrain at Loc.: Location fell in heavily wooded area on top of hill with elevation dropping to the East and West.

051-24319



All bearings shown are geodetic bearings unless noted.



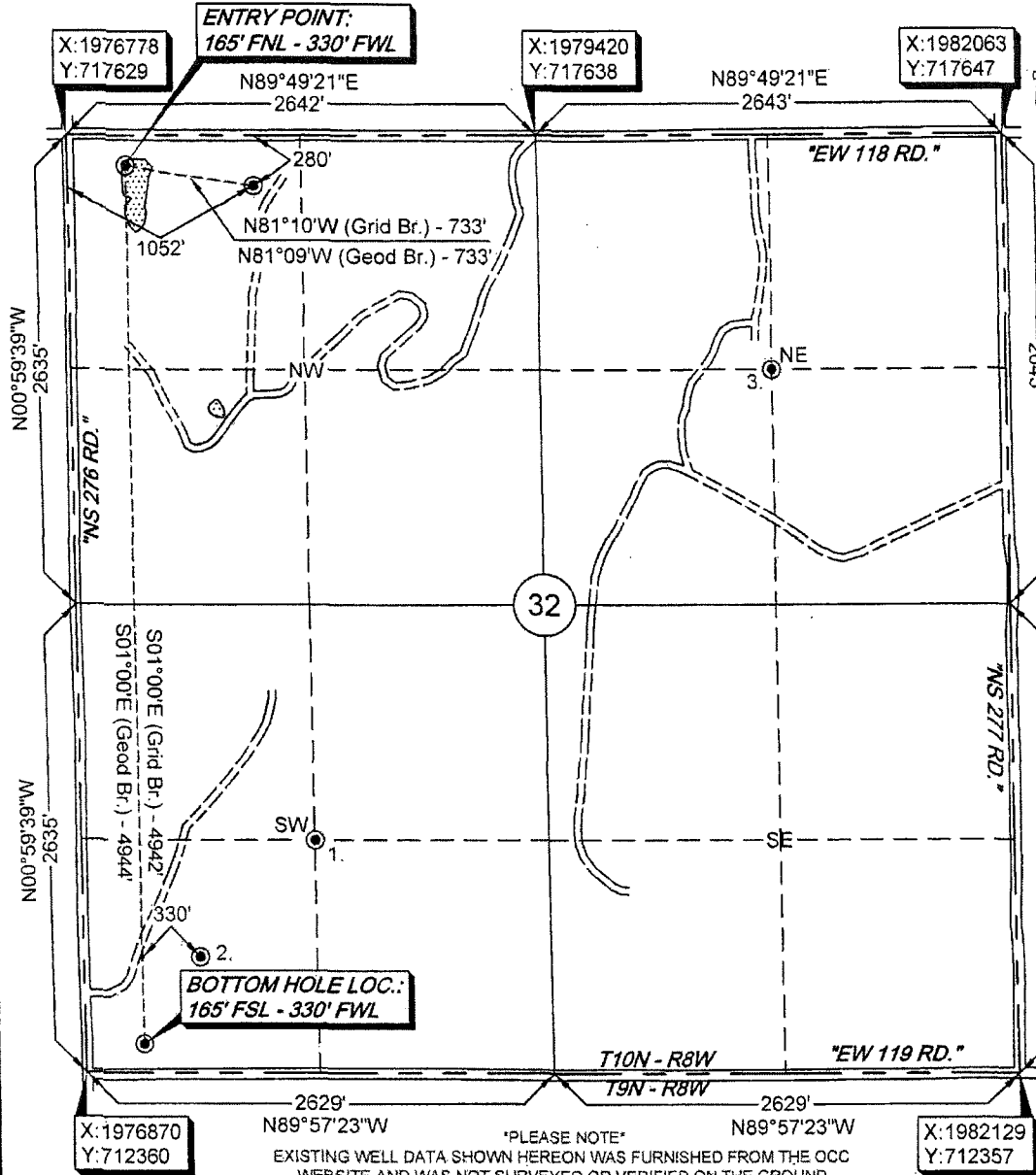
GPS DATUM
 NAD 27
 OK SOUTH ZONE

Surface Hole Loc.:
 Lat: 35°18'16.08"N
 Lon: 98°04'27.41"W
 X: 1977835
 Y: 717353

Entry Point:
 Lat: 35°18'17.19"N
 Lon: 98°04'36.14"W
 X: 1977111
 Y: 717466

Bottom Hole Loc.:
 Lat: 35°17'28.32"N
 Lon: 98°04'35.05"W
 X: 1977198
 Y: 712524

Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor. The accuracy of this survey is not guaranteed. Professional Land Surveyors and Mapping promptly if any discrepancy is determined. GPS data is observed from RTK - GPS. NOTE: X and Y data shown herein for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportional distance from opposing section corners, as occasion hereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.



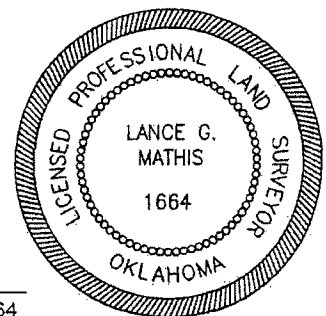
SECTION 32-10N-8W

1. MONCRIEF SR WA LITTLE 1 1320' FSL - 1320' FWL (SW/4) OCC STATUS: PA	2. OTC/OCC NOT ASSIGNED LITTLE 2 660' FSL - 660' FWL (SW/4) OCC STATUS: PA	3. OTC/OCC NOT ASSIGNED MONCRIEF-HAYTER 1-32 1320' FNL - 1320' FEL (NE/4) OCC STATUS: PA
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Survey and plat by:
 Arkoma Surveying and Mapping, PLLC
 P.O. Box 238 Wilburton, OK 74578
 Ph. 918-465-5741 Fax 918-465-8030
 Certificate of Authorization No. 5348
 Expires June 30, 2018

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.



Invoice #7528-A
 Date Staked: 12/13/17 By: J.L.
 Date Drawn: 12/15/17 By: C.K.

Lance G. Mathis
 LANCE G. MATHIS
 12/19/17
 OK LPLS 1664