

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

API NUMBER: 073 25842 A

Approval Date: 12/05/2017
Expiration Date: 06/05/2018

Horizontal Hole Oil & Gas

Amend reason: OCC CORRECTION: ADD INCREASED DENSITY;
UPDATE ORDERS

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 16N Rge: 6W County: KINGFISHER
SPOT LOCATION: NE NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 203 1278

Lease Name: NIKO 1606 Well No: 3-36MH Well will be 203 feet from nearest unit or lease boundary.
Operator Name: OKLAHOMA ENERGY ACQUISITIONS LP Telephone: 2815300991 OTC/OCC Number: 23509 0

OKLAHOMA ENERGY ACQUISITIONS LP
15021 KATY FREEWAY STE 400
HOUSTON, TX 77094-1900

JAMES F. AND JUDITH HELEN GRELLNER
1212 SOUTH 7TH STREET
KINGFISHER OK 73750

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

| Name | Depth | Name | Depth |
|------------------------------|-------|------|-------|
| 1 MISSISSIPPIAN (EX CHESTER) | 7578 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 668412 Location Exception Orders: 672113 Increased Density Orders: 670789

Pending CD Numbers: Special Orders:

Total Depth: 12500 Ground Elevation: 1118 **Surface Casing: 500** Depth to base of Treatable Water-Bearing FM: 260

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: 4000 Average: 1800

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: SALT PLAINS

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33403
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 36 Twp 16N Rge 6W County KINGFISHER

Spot Location of End Point: SE SE SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1118

Depth of Deviation: 7005

Radius of Turn: 573

Direction: 181

Total Length: 4949

Measured Total Depth: 12500

True Vertical Depth: 7578

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

Notes:

| Category | Description |
|-----------------------------|--|
| HYDRAULIC FRACTURING | <p>11/13/2017 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p> |
| INCREASED DENSITY - 670789 | <p>4/25/2018 - G60 - 36-16N-6W X668412 MSNLC 3 WELLS OKLAHOMA ENERGY ACQUISITIONS, LP. 12/5/17</p> |
| LOCATION EXCEPTION - 672113 | <p>4/25/2018 - G60 - (I.O.) 36-16N-6W X201703564 MSNLC COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 1090' FWL OKLAHOMA ENERGY ACQUISITIONS, LP 1/11/18</p> |
| SPACING - 668412 | <p>12/5/2017 - G60 - (640)(HOR) 36-16N-6W EXT 658262 MSNLC, OTHERS COMPL. INT. NLT 660' FB (COEXIST WITH SP. ORDER 55880/62761 MSSLM)</p> |

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