

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

API NUMBER: 043 23489

Approval Date: 12/06/2016  
Expiration Date: 06/06/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 19N Rge: 17W County: DEWEY  
SPOT LOCATION:  NW  SW  SE  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 375 1470

Lease Name: MERLE 32-19-17 Well No: 1H Well will be 375 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

MERLE J. CHARBONEAU  
RT 2, BOX 56  
SEILING OK 73663

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	11300	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201605536  
201605537

Special Orders:

Total Depth: 16300 Ground Elevation: 1965 **Surface Casing: 470** Depth to base of Treatable Water-Bearing FM: 320

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: 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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31892  
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 32 Twp 19N Rge 17W County DEWEY

Spot Location of End Point: S2 S2 S2 SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 10665

Radius of Turn: 659

Direction: 181

Total Length: 4600

Measured Total Depth: 16300

True Vertical Depth: 11300

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

Notes:

Category

Description

HYDRAULIC FRACTURING

12/2/2016 - 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.

INTERMEDIATE CASING

12/2/2016 - 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

12/6/2016 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201605536

12/6/2016 - G60 - (E.O.)(640) 32-19N-17W  
VAC 54296 CSTR  
EXT 647686 MSSP  
COMPL. INT. NCT 660' FB  
(COEXIST WITH SP. ORDER 217107 MSSLM)  
REC. 12/2/16 (THOMAS)

PENDING CD - 201605537

12/6/2016 - G60 - (E.O.) 32-19N-17W  
X201605536 MSSP  
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 1320' FWL  
TAPSTONE ENERGY, LLC  
REC. 12/2/16 (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.

3504323489

**TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA**

6709 NORTH GLASSEN BLVD., OKLA. CITY, OKLA. 73116 • LOCAL (405) 843-4847 • OUT OF STATE (800) 654-3219  
Certificate of Authorization No. 1293 LS

DEWEY County, Oklahoma

375' FSL - 1470' FWL Section 29 Township 19N Range 17W I.M.



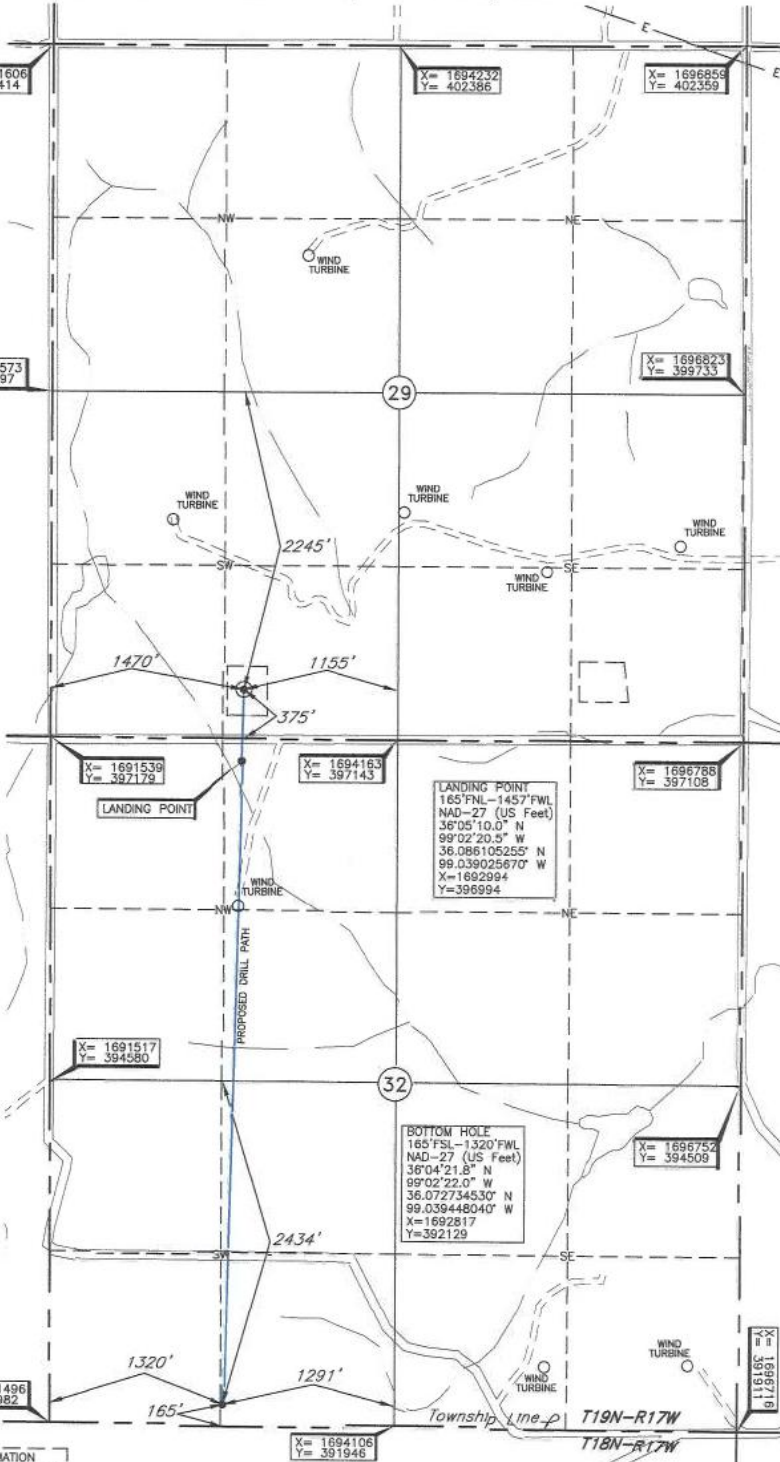
The information shown herein is for construction purposes ONLY.

NOTE:

Operator: TAPSTONE ENERGY  
 Lease Name: MERLE 32-19-17  
 Topography & Vegetation Loc. fall in terraced wheat field  
 Well No.: 1H  
 ELEVATION: 1965' Gr. at Stake

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From South of county road  
 Distance & Direction From Selling, OK, go 46.75 West on US Hwy. 60, then 4.40 mi. South to the SW Cor. of Sec. 29-T19N-R17W



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

Revision  B Date of Drawing: Nov. 16, 2016  
Invoice # 267223 Date Staked: Nov. 16, 2016 AC

**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

DATUM: NAD-27  
 LAT: 36°05'15.3" N  
 LONG: 99°02'20.3" W  
 LAT: 36.087588702° N  
 LONG: 99.038978800° W

STATE PLANE  
 COORDINATES: (US Feet)  
 ZONE: OK NORTH  
 X: 1693013  
 Y: 397534

This information was gathered with a GPS receiver with a 1:2 foot horiz./vert. accuracy

