

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

API NUMBER: 011 23764

Approval Date: 03/17/2017
Expiration Date: 09/17/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 17N Rge: 12W County: BLAINE
SPOT LOCATION: NW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 200 370

Lease Name: MAYES Well No: 1-21H Well will be 200 feet from nearest unit or lease boundary.

Operator Name: COUNCIL OAK RESOURCES LLC Telephone: 9185130925 OTC/OCC Number: 23853 0

COUNCIL OAK RESOURCES LLC
6120 S YALE AVE STE 1200
TULSA, OK 74136-4241

MARK MAYES
ROUTE 1, BOX 172AA
WATONGA OK 73772

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	10092	6
2			7
3			8
4			9
5			10

Spacing Orders: 659319

Location Exception Orders: 661433

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15382

Ground Elevation: 1566

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 50

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: 65000 Average: 6500

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 17-32289

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: 350000 Average: 250000

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 21 Twp 17N Rge 12W County BLAINE

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 370

Depth of Deviation: 9645

Radius of Turn: 477

Direction: 360

Total Length: 4988

Measured Total Depth: 15382

True Vertical Depth: 10805

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

3/14/2017 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

3/14/2017 - 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

INTERMEDIATE CASING

3/14/2017 - 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

LOCATION EXCEPTION - 661433

3/15/2017 - G75 - (I.O.) 21-17N-12W
X659319 MSSP, OTHER
COMPL. INT. NCT 165' TO SL, NCT 165' TO NL, NCT 330' TO EL
COUNCIL OAK RESOURCES, LLC
2-28-2017

MEMO

3/14/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 659319

3/15/2017 - G75 - (640)(HOR) 21-17N-12W
VAC 481227 MRMC, OSGE, KRDK, OTHER
VAC 490287/495900 CSTR, MRMC, OSGE, KDRK, OTHER
EST MSSP, OTHERS
COMPL. INT. NLT 660' FB, NCT 600' FWB

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.

Category

Description

TOTAL DEPTH

3/17/2017 - G75 - 15,382' PER OPERATOR

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.

COR Well Location Plat

COUNCIL OAK RESOURCES

S.H.L. Sec. 28-17N-12W I.M.
B.H.L. Sec. 21-17N-12W I.M.

Operator: COUNCIL OAK RESOURCES, LLC
Lease Name and No. : MAYES 1-21H
Footage : 200' FNL - 370' FEL GR. ELEVATION : 1566' Good Site? YES
Section: 28 Township: 17N Range: 12W I.M.
County : Blaine State of Oklahoma
Terrain at Loc. : Stake fell in a hilly, sandy pasture with scattered brush.

API 011-23764



1"=1320'

GPS DATUM
NAD - 83
OK NORTH ZONE

GPS DATUM
NAD - 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°55'37.77"N
Lon:98°28'39.31"W
X: 1827101
Y: 337849

Surface Hole Loc.:
Lat: 35°55'37.62"N
Lon: 98°28'38.03"W
X:1858703
Y: 337825

LP/Last Perf :
Lat: 35°55'41.38"N
Lon:98°28'39.30"W
X: 1827104
Y: 338214

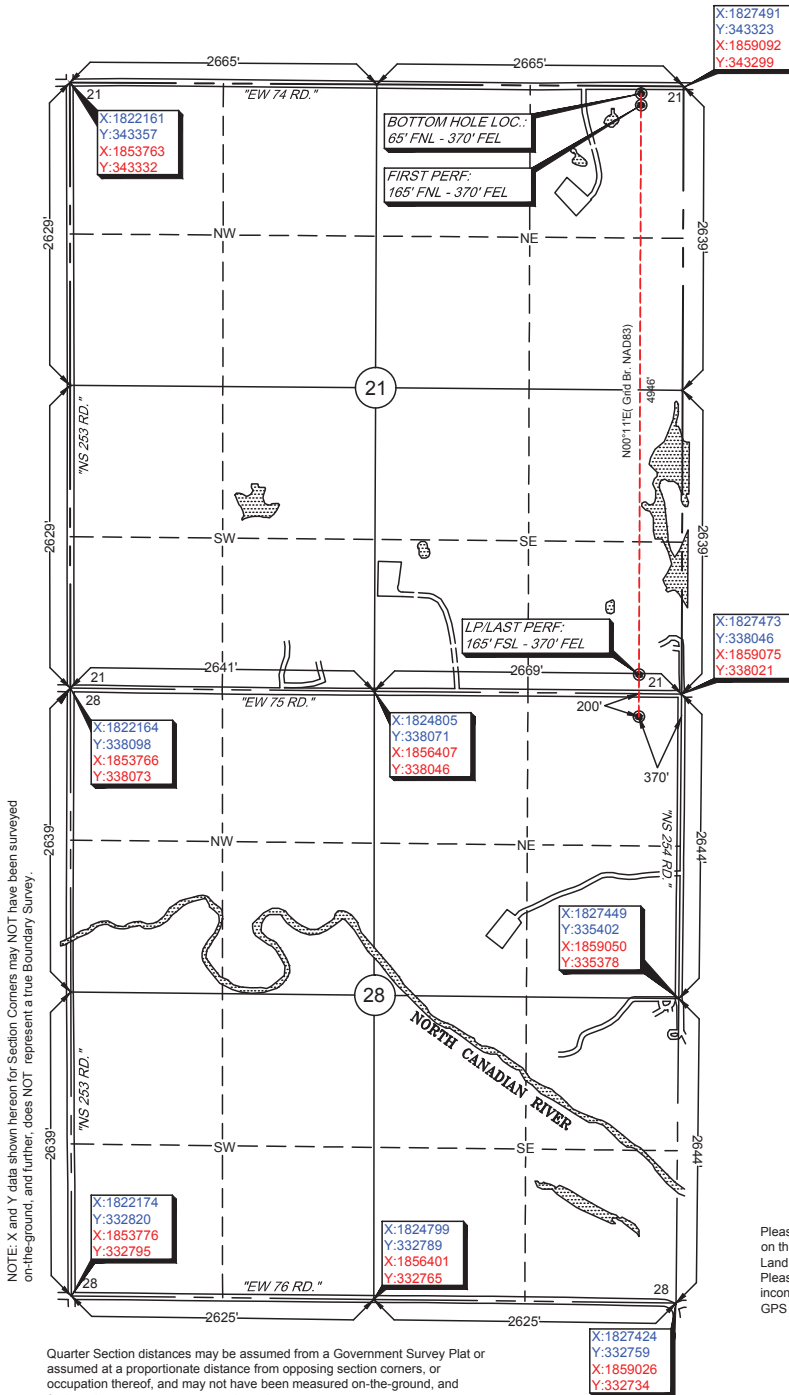
LP/Last Perf :
Lat: 35°55'41.23"N
Lon: 98°28'38.03"W
X: 1858705
Y: 338190

First Perf :
Lat: 35°56'30.30"N
Lon:98°28'39.40"W
X: 1827120
Y: 343161

First Perf :
Lat: 35°56'30.15"N
Lon: 98°28'38.12"W
X: 1858722
Y: 343136

Bottom Hole Loc.:
Lat: 35°56'31.29"N
Lon:98°28'39.40"W
X: 1827120
Y: 343261

Bottom Hole Loc.:
Lat: 35°56'31.14"N
Lon: 98°28'38.13"W
X: 1858722
Y: 343236



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.

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.

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.

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 #6983
Date Staked : 03/01/17 By : C.K.
Date Drawn : 03/09/17 By : K.B.
Added LP, 1st & LP/Last Perfs: 03/15/17 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 03/16/17
LANCE G. MATHIS OK LPLS 1664

