

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

API NUMBER: 043 23520

Approval Date: 06/01/2017
Expiration Date: 12/01/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 19N Rge: 17W County: DEWEY
SPOT LOCATION: SE SW SE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 2345 760

Lease Name: SANDER TRUST 3/10-19-17 Well No: 1H Well will be 760 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

SANDER FAMILY REVOCABLE TRUST
P. O. BOX 425
SEILING OK 73663

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN (LESS UPPER CHESTER)	9050	6	
2 MISSISSIPPIAN	10500	7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201701557
201701607
201702232
201702233

Special Orders:

Total Depth: 18500 Ground Elevation: 1792 Surface Casing: 600 Depth to base of Treatable Water-Bearing FM: 110

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32625

Chlorides Max: 8000 Average: 5000

H. SEE MEMO

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

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 10 Twp 19N Rge 17W County DEWEY

Spot Location of End Point: S2 S2 SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 9780

Radius of Turn: 750

Direction: 178

Total Length: 7542

Measured Total Depth: 18500

True Vertical Depth: 10500

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

Notes:

Category

Description

DEEP SURFACE CASING

5/24/2017 - 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

5/24/2017 - 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

5/24/2017 - 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

MEMO

5/24/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201701557

5/31/2017 - G75 - (640)(HOR) 3-19N-17W
VAC 151390 MCSTR
EXT 646339 MSLUC
COMPL. INT. NLT 660' FB
REC 5-8-2017 (DUNN)

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.

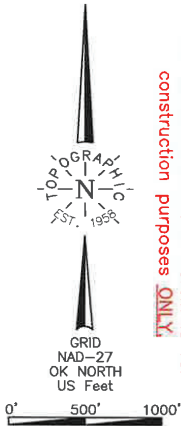
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

043 23520 SANDER TRUST 3/10-19-17 1H

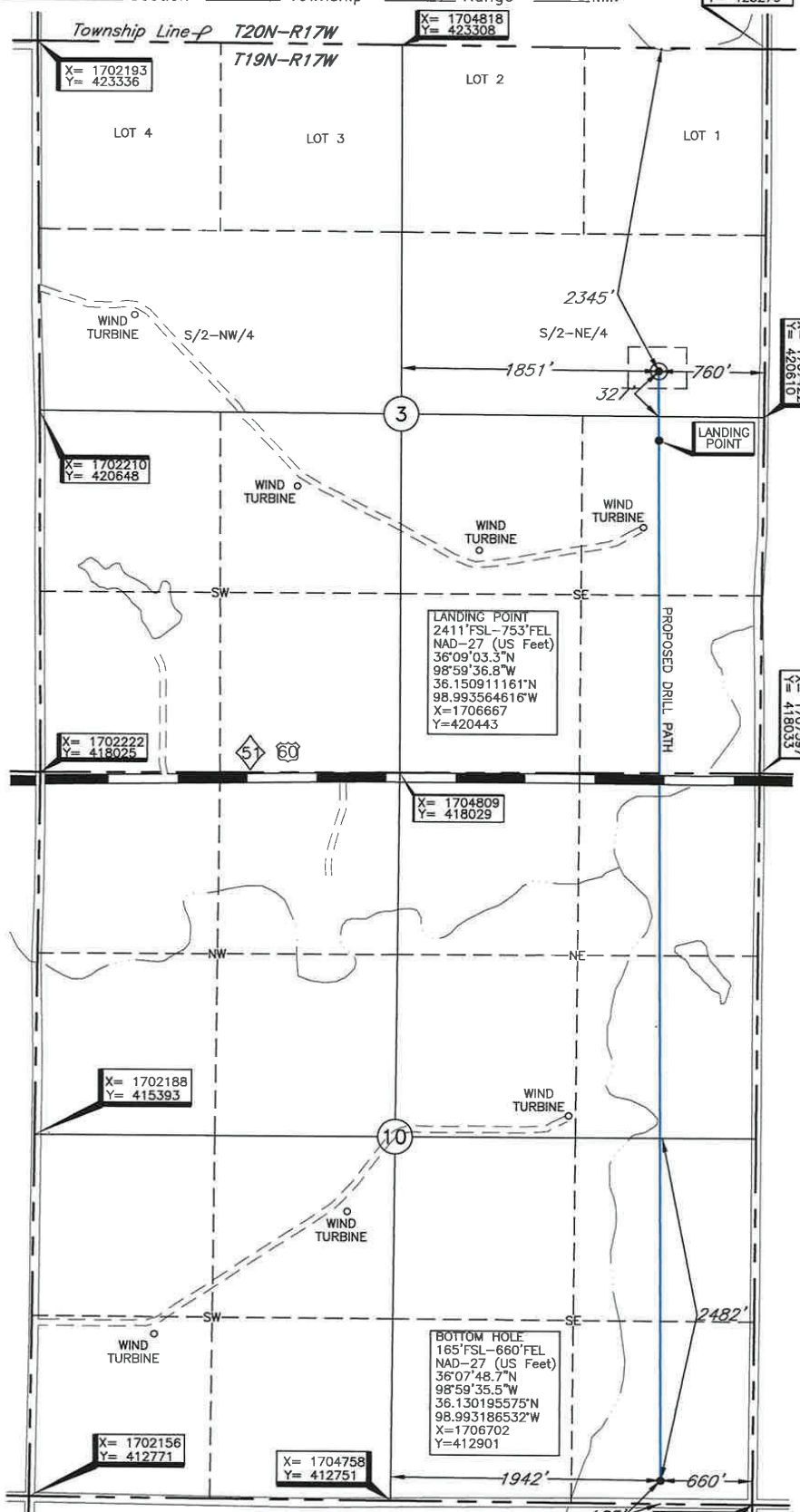
Category	Description
PENDING CD - 201701607	5/31/2017 - G75 - (640)(HOR) 10-19N-17W VAC 151390 MCSTR EXT OTHER EXT 661124 MSSP COMPL. INT. NLT 660' FB REC 5-8-2017 (DUNN)
PENDING CD - 201702232	5/31/2017 - G75 - (I.O.) 3 & 10-19N-17W EST MULTIUNIT HORIZONTAL WELL X201701557 MSLUC 3-19N-17W X201701607 MSSP 10-19N-17W 33.3% 3-19N-17W 66.7% 10-19N-17W TAPSTONE ENERGY, LLC REC 5-15-2017 (NORRIS)
PENDING CD - 201702233	5/31/2017 - G75 - (I.O.) 3 & 10-19N-17W X201701557 MSLUC 3-19N-17W X201701607 MSSP 10-19N-17W COMPL. INT. (3-19N-17W) NCT 1320' FNL, NCT 0' FSL, NCT 400' FEL COMPL. INT. (10-19N-17W) NCT 0' FNL, NCT 165' FSL, NCT 400' FEL TAPSTONE ENERGY, LLC REC 5-15-2017 (NORRIS)

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

DEWEY County, Oklahoma
 2345' FNL - 760' FEL Section 3 Township 19N Range 17W I.M.



NOTE:
 The information shown herein is for construction purposes ONLY.



Operator: TAPSTONE ENERGY
 Lease Name: SANDER TRUST 3/10-19-17
 Topography & Vegetation: Loc. fall in terraced wheat field
 Well No.: 1H
 ELEVATION: 1792' Gr. at Stake

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

Best Accessibility to Location From East off county road
 Distance & Direction From Sailing, OK, go ±3.7 mi. West on US Hwy. 60, then ±0.5 mi. North to the E/4 Cor. of Sec. 3-T19N-R17W

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

DATUM: NAD-27
 LAT: 36°09'08.2"N
 LONG: 98°59'36.9"W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1706665
 Y: 420943

Invoice # 269884 Date of Drawing: Mar. 30, 2017
 Date Staked: Mar. 27, 2017 AC

CERTIFICATE:

I, T. Wayne Fisch an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

T. Wayne Fisch
 Oklahoma Lic. No. 1378

