

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

API NUMBER: 153 23637 A

Approval Date: 10/30/2018
Expiration Date: 04/30/2020

Multi Unit Oil & Gas

Amend reason: OCC CORRECTION: UPDATE FORMATIONS AND ORDERS

AMEND PERMIT TO DRILL

WELL LOCATION: Section: 28 Township: 20N Range: 17W County: WOODWARD

SPOT LOCATION: NE SW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 800 880

Lease Name: HARGIS 21/16-20-17 Well No: 1H Well will be 800 feet from nearest unit or lease boundary.

Operator Name: TAPSTONE ENERGY LLC Telephone: 4057021600 OTC/OCC Number: 24505 0

TAPSTONE ENERGY LLC
PO BOX 1608
OKLAHOMA CITY, OK 73101-1608

GARY L HARGIS AND DEBBIE R HARGIS H/W
902 NORTH ELM STREET
MOORELAND OK 73852

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

Name	Code	Depth
1 MISSISSIPPIAN (LESS CHESTER)	359MSNLC	9350
2 MISSISSIPPIAN	359MSSP	10400

Spacing Orders: 667719 Location Exception Orders: 693038 Increased Density Orders: No Density Orders
686823
695886

Pending CD Numbers: No Pending Special Orders: No Special Orders

Total Depth: 21129 Ground Elevation: 1761 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 80

Deep surface casing has been approved

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:
D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35632
H. SEE MEMO

PIT 1 INFORMATION

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

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

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is 18 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.

MULTI UNIT HOLE 1			
Section: 16	Township: 20N	Range: 17W	Total Length: 10230
County: WOODWARD			Measured Total Depth: 21129
Spot Location of End Point: NE	NW	NE	NE
Feet From: NORTH	1/4 Section Line: 183		True Vertical Depth: 10400
Feet From: EAST	1/4 Section Line: 916		End Point Location from Lease, Unit, or Property Line: 183

NOTES:	
Category	Description
DEEP SURFACE CASING	10/30/2018 - GA8 - 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	10/30/2018 - GA8 - 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: OCCWEB.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
INTERMEDIATE CASING	10/30/2018 - GA8 - 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 - 693038 (201807959)	6/4/2020 - G56 - (F.O.) 16 & 21-20N-17W X667719 MSSP 21-20N-17W X686823 MSNLC 16-20N-17W (21-20N-17W) FIRST PERF 170' FSL, 806' FEL LAST PERF 1' FNL, 891' FEL (16-20N-17W) FIRST PERF 23' FSL, 890' FEL LAST PERF 281' FNL, 912' FEL TAPSTONE ENERGY, LLC 3/18/2019
MEMO	10/30/2018 - GA8 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS REQUIRED (BENT CREEK), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 667719	10/30/2018 - G56 - (640) 21-20N-17W VAC 55987 CRLM VAC 129845 STGV, STLS, SPWR, OSGE EXT 656960 MSSP COMPL INT NLT 660' FB
SPACING - 686823	6/4/2020 - G56 - (640)(HOR) 16-20N-17W VAC 129845 STGV, STLS, SPWR, OSGE EXT 681229 MSNLC COMPL INT NLT 600' FB
SPACING - 695886 (201807958)	6/4/2020 - G56 - (F.O.) 16 & 21-20N-17W EST MULTIUNIT HORIZONTAL WELL X667719 MSSP 21-20N-17W X686823 MSNLC 16-20N-17W 50.568463% 21-20N-17W 49.431537% 16-20N-17W TAPSTONE ENERGY, LLC 5/9/2019

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