KEY TAKEAWAY

Canyon Creek Energy Holdings LLC filed this force pooling order for the Hockett 1-3 well re-entry in the SE/4 of Section 3-1N-8E, Coal County, Oklahoma. The election deadline of May 10, 2015 has passed. Owners who failed to respond within 20 days were defaulted to Option 3: no cash bonus with 1/8 excess royalty (1/4 total royalty, 75% NRI).

DETAILED ANALYSIS

This historical pooling order established 160-acre units for five common sources (Cromwell, Upper Booch, Lower Booch, Hartshorne, Gilcrease) covering the SE/4 of Section 3-1N-8E. Three election options were offered: Option 1 participate at $5,541.25/NMA working interest cost, Option 2 receive $350/NMA cash bonus with 3/16 total royalty (81.25% NRI), or Option 3 (default) no cash with 1/4 total royalty (75% NRI). The election deadline passed May 10, 2015 and non-responding owners were defaulted to Option 3. Subsequent wells provisions remain in effect with 20-day notice required for future drilling in these formations, excluding replacement wells. Operator contact: Canyon Creek Energy Operating LLC, Mr. Blake Gray, (918) 561-6737, bgray@cceok.com.

EXTRACTED INFORMATION (KEY POINTS)

CAUSE NUMBER
CD 201500614–T

ORDER DATE
April 19, 2015

EFFECTIVE DATE
April 19, 2015

APPLICANT/OPERATOR
Canyon Creek Energy Holdings LLC

WELL NAME
Hockett #1-3

FORMATION/ZONE
Cromwell, Upper Booch, Lower Booch, Hartshorne, Gilcrease

UNIT SIZE
160 acres

ELECTION OPTIONS

Option	Type	Bonus/NMA	Royalty	Default
Option 1	participate	$5541.25 cost	1/8	
Option 2	cash_bonus_excess_royalty	$350	1/8 + 1/16 excess	
Option 3	no_cash_higher_royalty	-	1/8 + 1/8 excess	Yes

LINKED MINERAL INTERESTS

Location	County
S03-T01N-R08E-IM (Coal) - JSPT	Coal
S03-T01N-R08E-IM (Coal) - VKPT	Coal