

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

API NUMBER: 109 22455

Approval Date: 07/24/2018

Expiration Date: 01/24/2019

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 13N Rge: 3W

County: OKLAHOMA

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1800 1695

Lease Name: WHY NOT?

Well No: 1-32ER

Well will be 1800 feet from nearest unit or lease boundary.

Operator Name: GULF EXPLORATION LLC

Telephone: 4058403371

OTC/OCC Number: 20983 0

GULF EXPLORATION LLC
9701 N BROADWAY EXT
OKLAHOMA CITY, OK 73114-6316

GARRETT & COMPAMY
9701 BROADWAY EXTENSION
OKLAHOMA CITY OK 73114

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

	Name	Depth		Name	Depth
1	TONKAWA	4428	6	PRUE	6300
2	PERRY	4940	7	SKINNER	6500
3	CHECKERBOARD	5740	8	VIOLA	6600
4	CLEVELAND	5850	9	SIMPSON	6715
5	OSWEGO	6260	10	ARBUCKLE	7570

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201803640

Special Orders:

Total Depth: 9400

Ground Elevation: 1176

Surface Casing: 1370

Depth to base of Treatable Water-Bearing FM: 1120

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

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: 3000 Average: 1500

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: SALT PLAINS

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

DIRECTIONAL HOLE 1

Sec 32 Twp 13N Rge 3W County OKLAHOMA

Spot Location of End Point: nn C SE SW

Feet From: SOUTH 1/4 Section Line: 660

Feet From: WEST 1/4 Section Line: 1980

Measured Total Depth: 9400

True Vertical Depth: 7570

End Point Location from Lease,

Unit, or Property Line: 660

Notes:

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
HYDRAULIC FRACTURING	<p>7/5/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>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</p>
PENDING CD - 201803640	<p>7/10/2018 - G57 - (40) SE4 SW4 32-13N-3W EST TNKW, PRRY, CCKB, CLVD, OSWG, VIOL, SMPS, ABCK REC 5-22-2018 (MILLER)</p>
PUBLIC WATER SUPPLY WELLS	<p>7/5/2018 - G71 - NICHOLS HILLS - 1 PWS/WPA, SW/4 33-13N-3W & 1 PWS/WPA, NW/4 4-12N-3W</p>
SPACING	<p>7/24/2018 - G57 - FORMATIONS UNSPACED(PRUE, SKNR); LEASE OUTLINE 40-ACRES SE4 SW4 32-13N-3W PER OPERATOR</p>