

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

API NUMBER: 037 29400

Approval Date: 05/10/2018

Expiration Date: 11/10/2018

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 17N Rge: 7E

County: CREEK

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1980 2310

Lease Name: E. RICHARDS

Well No: J-1

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: KOBY OIL COMPANY LLC

Telephone: 4052363551

OTC/OCC Number: 20976 0

KOBY OIL COMPANY LLC
PO BOX 1945
OKLAHOMA CITY, OK 73101-1945

CURTIS RICHARDS ENERGY MGMT. LLC
P.O. BOX 471705
TULSA OK 74147

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

| | Name | Depth | | Name | Depth |
|---|------------|-------|----|--------------|-------|
| 1 | LAYTON | 1400 | 6 | RED FORK | 2440 |
| 2 | JONES /SD/ | 1700 | 7 | BARTLESVILLE | 2520 |
| 3 | OSWEGO | 2160 | 8 | WILCOX | 2680 |
| 4 | PRUE | 2230 | 9 | TYNER | 2800 |
| 5 | SKINNER | 2340 | 10 | ARBUCKLE | 3100 |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3200

Ground Elevation: 880

Surface Casing: 760

Depth to base of Treatable Water-Bearing FM: 630

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: 2500 Average: 1500

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: VAMOOSA

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34490
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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>5/10/2018 - G75 - 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> |
| SPACING | 5/10/2018 - G75 - FORMATIONS UNSPACED; 80-ACRE LEASE (E2 NE4) |
| SURFACE CASING | 5/10/2018 - G75 - MIN. 760' PER ORDER # 70256 |