

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

API NUMBER: 109 22457

Approval Date: 10/03/2018

Expiration Date: 04/03/2020

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 11N Rge: 3W

County: OKLAHOMA

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ SE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2341 1419

Lease Name: HOLMES

Well No: 1

Well will be 150 feet from nearest unit or lease boundary.

Operator Name: STEPHENS & JOHNSON OPERATING CO

Telephone: 9407232166; 9407165

OTC/OCC Number: 19113 0

STEPHENS & JOHNSON OPERATING CO
PO BOX 2249
WICHITA FALLS, TX 76307-2249

SJOC LAND LLC
P.O. BOX 2249
WICHITA FALLS OK 76307

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

	Name	Depth		Name	Depth
1	HOOVER	3900	6	WILCOX	6260
2	TONKAWA	4250	7	TULIP CREEK	6400
3	LAYTON	5300	8	MCLISH	6500
4	OOLITIC 1	5650	9		
5	OSWEGO	6120	10		

Spacing Orders: 681790

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6700

Ground Elevation: 1225

Surface Casing: 1080

Depth to base of Treatable Water-Bearing FM: 860

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 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 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: FAIRMONT

Approved Method for disposal of Drilling Fluids:

E. Haul to Commercial pit facility: Sec. 24 Twn. 8N Rng. 8W Cnty. 51 Order No: 393756

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

DIRECTIONAL HOLE 1

Sec 10 Twp 11N Rge 3W County OKLAHOMA

Spot Location of End Point: NE SE NW SE

Feet From: SOUTH 1/4 Section Line: 1957

Feet From: WEST 1/4 Section Line: 1150

Measured Total Depth: 6700

True Vertical Depth: 6670

End Point Location from Lease,

Unit, or Property Line: 529

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>9/6/2018 - 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: OCCWEB.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 - 681790	<p>10/2/2018 - G57 - (40)(IRRG-UNIT) NW4 SE4 & NE4 SE4 10-11N-3W INCLD 30-ACRES NW4 SE4 & W 10-ACRES NE4 SE4 NLT 330' FB</p> <p>EST HOVR, TNKW, LYTN, OLTC1, OSWG, WLCX, TPCK, MCLS, OTHER</p>