

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

API NUMBER: 039 22537

Approval Date: 04/26/2018
Expiration Date: 10/26/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 06 Twp: 15N Rge: 19W County: CUSTER
SPOT LOCATION: NE NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 109 1327

Lease Name: EVELYN Well No: 1-31HLC Well will be 109 feet from nearest unit or lease boundary.
Operator Name: DUNCAN OIL PROPERTIES INC Telephone: 4052721800 OTC/OCC Number: 15876 0

DUNCAN OIL PROPERTIES INC
100 PARK AVE STE 1200
OKLAHOMA CITY, OK 73102-8023

WILLIE AND CONNIE BASLER
PO BOX 255
LEEDEY OK 73654

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

Name	Depth	Name	Depth
1 CLEVELAND	9600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 101311 Location Exception Orders: 665797 Increased Density Orders: 666170

Pending CD Numbers: Special Orders:

Total Depth: 14740 Ground Elevation: 1861 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 380

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

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 90000 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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34321

E. Haul to Commercial pit facility: Sec. 24 Twn. 14N Rng. 21W Cnty. 129 Order No: 372833

H. SEE MEMO

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.

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

HORIZONTAL HOLE 1

Sec 31 Twp 16N Rge 19W County DEWEY

Spot Location of End Point: W2 NE NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1930

Depth of Deviation: 9100

Radius of Turn: 744

Direction: 353

Total Length: 4472

Measured Total Depth: 14740

True Vertical Depth: 9822

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

4/24/2018 - G71 - 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

4/24/2018 - G71 - 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: OCCEWEB.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

INCREASED DENSITY - 666170

4/26/2018 - G58 - 31-16N-19W
X101311 CLVD
1 WELL
DUNCAN OIL PROPERTIES, INC.
7/21/2017

LOCATION EXCEPTION - 665797

4/26/2018 - G58 - (I.O.) 31-16N-19W
X101311 CLVD
COMPL. INT. NCT 330' FSL, NCT 330' FNL, NCT 660' FEL
DUNCAN OIL PROPERTIES, INC.
7/11/2017

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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
MEMO	4/24/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 101311	4/26/2018 - G58 - (640) 31-16N-19W EST CLVD, OTHERS

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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.

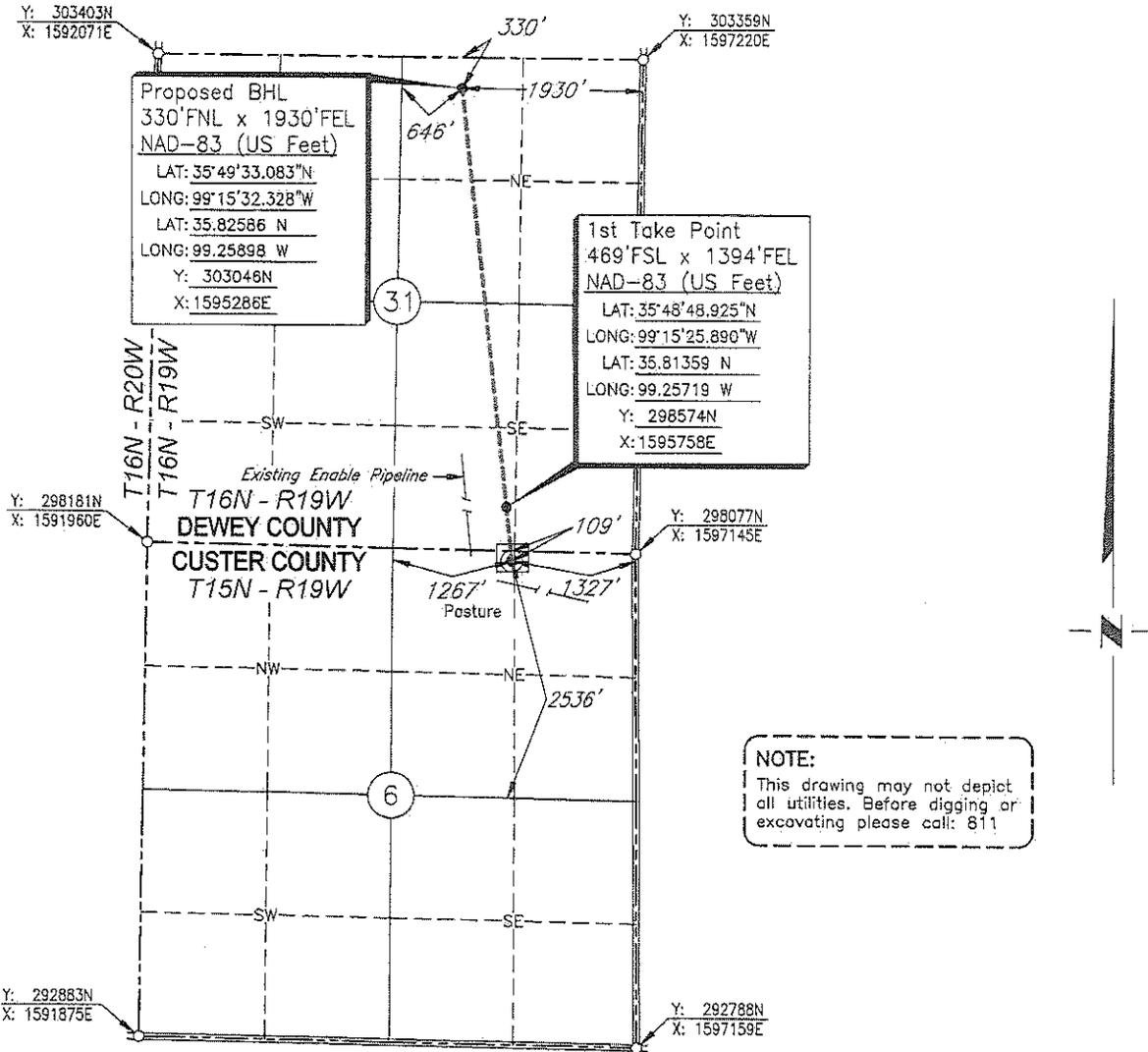


CIMARRON
SURVEYING & MAPPING CO.

C.A. No. 1780 Expires June 30, 2018

1530 SW 89th Street, Bldg. C3
Oklahoma City, OK
(405) 692-7348
www.cimsurvey.com

CUSTER County, Oklahoma
109'FNL - 1327'FEL Section 6 Township 15N Range 19W I.M.



Date Staked: October 12, 2016

GPS Observation: Latitude 35°48'43.200" N
Longitude 99°15'25.065" W
Latitude 35.81200 N
Longitude 99.25696 W

State Plane NAD83 Y:297994N
Texas North Zone: X:1595819E

Operator: DUNCAN OIL PROPERTIES Elevation: 1861'

Lease Name: Evelyn Well No.: 1-31HLC

Topography & Vegetation: Pasture

Alternate Location Stakes Set: Yes Good Drill Site? Yes

Best Accessibility to Location: From the East Line

Distance & Direction