API NUMBER: 051 24405

Oil & Gas

Horizontal Hole

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

Approval Date: 07/12/2018
Expiration Date: 01/12/2019

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 5N Rge: 6W County: GRADY

SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: **226 872**

Lease Name: ELLIS 0506 Well No: 1-25-36WXH Well will be 226 feet from nearest unit or lease boundary.

Operator MARATHON OIL COMPANY Telephone: 7132962003 OTC/OCC Number: 1363 0

MARATHON OIL COMPANY

5555 SAN FELIPE ST

HOUSTON, TX 77056-2701

CLINTON & CRYSTAL ELLIS 1840 COUNTY ROAD 1470

D. One time land application -- (REQUIRES PERMIT)

BRADLEY OK 73011

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

Name Depth Name Depth WOODFORD 14500 1 6 2 7 3 8 4 9 10 457901 Spacing Orders: Location Exception Orders: 679798 Increased Density Orders: 678326

Pending CD Numbers: 201704965 Special Orders:

Total Depth: 25178 Ground Elevation: 1151 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 140

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: 5000 Average: 3000

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: CHICKASHA

H. SEE MEMO

PERMIT NO: 17-33428

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: CPit Location is NON HSA

Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

Rge 6W Sec 36 Twp 5N County **GRADY** Spot Location of End Point: S2 SW SW SW Feet From: SOUTH 1/4 Section Line: 50 WEST Feet From: 1/4 Section Line: 330

Depth of Deviation: 14048
Radius of Turn: 477
Direction: 185

Total Langth: 103

Total Length: 10380

Measured Total Depth: 23526

True Vertical Depth: 14500

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category Description

DEEP SURFACE CASING 7/5/2018 - 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 7/5/2018 - 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 - 678326 7/10/2018 - G57 - W2 25 & W2 36-5N-6W

X457901 WDFD 3 WELLS NO OP. NAMED 5-25-2018

LOCATION EXCEPTION - 679798 7/12/2018 - G57 - (I.O.) W2 25 & W2 36-5N-6W

X457901 WDFD

X165:10-3-28(C)(2)(B) WDFD (ELLIS 0506 1-25-36WXH) MAY BE CLOSER THAN 600' FROM

MORRIS NO. 1-25 NO OP. NAMED 6-29-2018 Category Description

MEMO 7/5/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201704965 7/12/2018 - G57 - (I.O.) W2 25 & W2 36-5N-6W

X457901 WDFD

COMPL. INT. (25-5N-6W) NCT 165' FNL, NCT 330' FWL COMPL. INT. (36-5N-6W) NCT 165' FSL, NCT 330' FWL

NO OP. NAMÈD

REC 10-30-2017 (P. PORTER)

7/10/2018 - G57 - (640)(IRRG-UNIT) W2 25 & W2 36-5N-6W EXT 421185 WDFD, OTHER **SPACING - 457901**

POE TO BHL NLT 660' FB

ELLIS 0506 1-25-36WXH API: 051 24405 ELLIS 0506 2-25-36WXH API: 051 24408 ELLIS 0506 3-25-36WXH API: 051 24409





