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

API NUMBER: 087 22157 B

Approval Date: 07/13/2018
Expiration Date: 01/13/2019

Straight Hole Disposal

Amend reason: OCC CORRECTION FOR WELL NAME

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 7N Rge: 3W County: MCCLAIN

SPOT LOCATION: NE NE NW NW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **2507** **1099**

Lease Name: COBALT COLE SWD **Well No: 1** **Well will be 1099 feet from nearest unit or lease boundary.**

Operator Name: **COBALT ENVIRONMENTAL SOLUTIONS LLC** Telephone: 5802799446 OTC/OCC Number: 23434 0

COBALT ENVIRONMENTAL SOLUTIONS LLC
PO BOX 1266
ARDMORE, OK 73402-1266

LEWIS & JANIE PRICE
16066 252ND STREET
BLANCHARD OK 73010

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

	Name	Depth		Name	Depth
1	PERMIAN	3300	6		
2	VIRGILIAN	3880	7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 6650 Ground Elevation: 1142 **Surface Casing: 300** Depth to base of Treatable Water-Bearing FM: 220

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 5000 Average: 3000
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: 2
Liner not required for Category: 2
Pit Location is BED AQUIFER
Pit Location Formation: DUNCAN

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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	7/6/2018 - 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
SPACING	7/6/2018 - G71 - N/A - DISPOSAL WELL

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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.