

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

API NUMBER: 015 23304

Approval Date: 10/16/2018

Expiration Date: 04/16/2020

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 5N Rge: 9W

County: CADDO

SPOT LOCATION: ☐ SE ☐ NW ☐ SE ☐ NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 1974 737

Lease Name: PROCTOR

Well No: 3

Well will be 737 feet from nearest unit or lease boundary.

Operator Name: DAYLIGHT PETROLEUM LLC

Telephone: 3124750869

OTC/OCC Number: 24225 0

DAYLIGHT PETROLEUM LLC  
875 N MICHIGAN AVE STE 3707  
CHICAGO, IL 60611-1915

JOE TOM SNIDER & SANDY E. SNIDER  
44145 CS 2720  
CEMENT OK 73017

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

Name	Depth	Name	Depth
1 MARCHAND	6616	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 399561

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 7015

Ground Elevation: 1490

**Surface Casing: 1000**

Depth to base of Treatable Water-Bearing FM: 890

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: 15000 Average: 2500

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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: WEATHERFORD

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 18-35517

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

**DIRECTIONAL HOLE 1**

Sec 09 Twp 5N Rge 9W County CADDO

Spot Location of End Point: SW NE SE NE

Feet From: NORTH 1/4 Section Line: 1697

Feet From: EAST 1/4 Section Line: 427

Measured Total Depth: 7015

True Vertical Depth: 6980

End Point Location from Lease,

Unit, or Property Line: 427

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>10/15/2018 - GA8 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
PUBLIC WATER SUPPLY WELL	10/15/2018 - GA8 - MUSTANG SALOON, NE4 9-T5N-R9W
SPACING - 399561	<p>10/16/2018 - G75 - (UNIT) E2 9-5N-9W</p> <p>EST EAST CEMENT MARCHAND EOR UNIT FOR MRCD</p>

# WELL STAKE EXHIBIT

