API NUMBER: 129 24120

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: 10/12/2018
Expiration Date: 04/12/2020

PERMIT TO DRILL

			-						
WELL LOCATION:	Sec: 34 Twp: 18N	Rge: 21W	County: ROGE	R MILLS					
SPOT LOCATION:	SW SE SE	SE FEET FROM QU	ARTER: FROM	SOUTH FROM	EAST				
		SECTION LINES	:	300	630				
Lease Name:	THELMA		Well No:	1H-34		Well will be	300 feet from neare	st unit or lease boundary.	
Operator Name:	VALPOINT OPERATING	LLC		Telephone:	806376467	5	OTC/OCC Number:	23241 0	
VALPOINT OPERATING LLC 600 S TYLER ST STE 1701					TH	THELMA JEAN KAUK			
AMARILLO, TX 79101-235.			52		RO	OUTE 2, BOX 149			
AWARILL	.0,	17 /9101-23	อง		LE	EDY	OK 7	3654	
Formation(s)	(Permit Valid for Li		nly): pth		1	Name	Dept	h	
	OSWEGO	95	50		6				
2					7				
3 4					9				
5					10				
Spacing Orders: 122042 Location Exception 0			Orders:		Ir	ncreased Density Orders:			
Pending CD Numbers: 201807097						Special Orders:			
Total Depth: 1	4397 Ground Ele	evation: 2007	Surface C	Casing: 400		Depth	to base of Treatable Wate	r-Bearing FM: 340	

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: 20000 Average: 10000

Is depth to top of ground water greater than 10ft below base of pit? $\quad \mbox{Y}$

Within 1 mile of municipal water well? N

Wellhead Protection Area?

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1B

Liner required for Category: 1B
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 18-35367

H. SEE MEMO

Approved Method for disposal of Drilling Fluids:

PIT 2 INFORMATION

Type of Pit System: ON SITE

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: 3

Liner required for Category: 3
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 34 Twp 18N Rge 21W County ROGER MILLS

Spot Location of End Point: NW NE NE NE Feet From: NORTH 1/4 Section Line: 165
Feet From: EAST 1/4 Section Line: 630

Depth of Deviation: 9121
Radius of Turn: 477
Direction: 360

Total Length: 4527

Measured Total Depth: 14397

True Vertical Depth: 9550

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

MEMO

Category Description

BOTTOM-HOLE LOCATION 10/11/2018 - G75 - 165' FNL, 630' FEL NE4 34-18N-21W PER STAKING PLAT

HYDRAULIC FRACTURING 10/5/2018 - 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 10/5/2018 - G71 - PIT 1 - MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING

10/5/2018 - G/1 - PIT 1 - MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER; PIT 2 - MIN. 20-MIL LINER REQUIRED, OBM TO VENDOR, OBM CUTTINGS PER

DISTRICT

PENDING CD - 201807097 10/11/2018 - G75 - (I.O.) 34-18N-21W

X122042 OSWG

COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL

NO OP. NAMED

REC 9-25-2018 (M. PORTER)

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.

Description Category

10/11/2018 - G75 - (640) 34-18N-21W EXT 104943 OSWG, OTHERS **SPACING - 122042**

SURFACE LOCATION 10/11/2018 - G75 - 300' FSL, 630' FEL SE4 34-18N-21W PER STAKING PLAT

