

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

API NUMBER: 073 26279

Approval Date: 09/25/2018

Expiration Date: 03/25/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 16N Rge: 6W

County: KINGFISHER

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 225 1317

Lease Name: LIL SEBASTIAN 1606

Well No: 7-24MH

Well will be 225 feet from nearest unit or lease boundary.

Operator Name: OKLAHOMA ENERGY ACQUISITIONS LP

Telephone: 2815300991

OTC/OCC Number: 23509 0

OKLAHOMA ENERGY ACQUISITIONS LP
15021 KATY FREEWAY STE 400
HOUSTON, TX 77094-1900

JEANETTE K. WARD
23950 EAST 800 ROAD
KINGFISHER OK 73750

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

| | Name | Depth | Name | Depth |
|---|------------------------------|-------|------|-------|
| 1 | MISSISSIPPIAN (LESS CHESTER) | 7493 | 6 | |
| 2 | | | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 665108

Location Exception Orders: 683595

Increased Density Orders: 681312

Pending CD Numbers:

Special Orders:

Total Depth: 12500

Ground Elevation: 1070

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 240

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

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: 4000 Average: 1800

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: SALT PLAINS

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

PERMIT NO: 18-35271

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 24 Twp 16N Rge 6W County KINGFISHER

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 355

Depth of Deviation: 6647

Radius of Turn: 573

Direction: 170

Total Length: 4953

Measured Total Depth: 12500

True Vertical Depth: 7493

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

Notes:

Category

Description

DEEP SURFACE CASING

8/31/2018 - 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

8/31/2018 - 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 - 681312

9/11/2018 - G57 - 24-16N-6W
X665108 MSNLC
4 WELLS
OKLAHOMA ENERGY ACQUISITIONS, LP.
8-10-2018

LOCATION EXCEPTION - 683595

9/11/2018 - G57 - (I.O.) 24-16N-6W
X665108 MSNLC
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FEL
OKLAHOMA ENERGY ACQUISITIONS, LP.
9-24-2018

SPACING - 665108

9/11/2018 - G57 - (640)(HOR) 24-16N-6W
EXT 652682 MSNLC, OTHER
POE TO BHL NCT 660' FB
(SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)

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073 26279 LIL SEBASTIAN 1606 7-24MH

KINGFISHER County, Oklahoma
225'FNL - 1317'FEL Section 24 Township 16N Range 06W I.M.

BEARINGS ARE GRID
OKLAHOMA SFC, NAD 27, NORTH ZONE

1ST TAKE POINT
165'FNL - 355'FEL
NAD-27 (U.S. FEET)
N35°51'20.9"
W97°46'53.7"
N35.855803
W97.781585
Y: 311591N
X: 2064726E

PROPOSED BHL
165'FSL - 355'FEL
NAD-27 (U.S. FEET)
N35°50'31.9"
W97°46'53.7"
N35.842194
W97.781574
Y: 306638N
X: 2064740E

GPS OBSERVATION: LATITUDE: N35°51'20.4"
LONGITUDE: W97°47'05.4"
LATITUDE: N35.855656
LONGITUDE: W97.784832

STATE PLANE NAD 27
OKLAHOMA NORTH ZONE
Y: 311536N
X: 2063764E

Operator: OKLAHOMA ENERGY ACQUISITIONS, LP Date Staked: 8/15/2018

Lease Name: LIL SEBASTIAN 1606 Well No.: 7-24MH Elevation: 1070'

Topography and Vegetation: PASTURE

Good Drill Site? YES Reference or Alt. Location Stakes Set: NONE

Best Accessibility to Location: FROM COUNTY ROAD

Distance and Direction
from Hwy. Jct. or town: FROM THE JCT. OF US HWY 81 AND ST. HWY 33 IN KINGFISHER, OK, HEAD
EAST 8.0 MILES ON ST. HWY. 33, THEN CONTINUE EAST 0.3 MILE ON CO. RD. E0800, TURN SOUTH
INTO LOCATION.

Fred A. Selesky
FRED ANTHONY SELENSKY
OKLAHOMA L.P.L.S. NO.: 1860
8-23-2018
DATE

NOTE:
This is a plat of a proposed well location and does not represent a true boundary survey. The information shown hereon shall not be relied upon for the location or establishment of land boundary lines. All of the positions shown hereon have not been verified as being actual Section, Quarter or Property corners. Positions shown in (Parentheses) are based upon local occupation and improvements or calculated per proportional measurement and/or G.L.O. record distances. Review this plat and notify Gateway Services Group, LLC immediately of any possible discrepancy.

LICENSED PROFESSIONAL LAND SURVEYOR
FRED ANTHONY SELENSKY
8-23-2018
1860
OKLAHOMA

Gateway
Gateway Services Group, LLC
P.O. BOX 960
WEEKER, OK 74855
OFF. (405) 273-0954
FAX (405) 273-0580
C.A. NO. 4091 (LS)
EXP. DATE 6-30-2020

EXHIBIT "A" PRELIMINARY
LIL SEBASTIAN 1606 7-24MH
225'FNL - 1317'FEL
SECTION 24, T 16 N - R 06 W, I.M.,
KINGFISHER COUNTY, OKLAHOMA

| | | |
|--------------------------|-----------------|-------------|
| DRAWN BY: JE | DATE: 8/16/18 | CHK'D: CWP |
| GATEWAY NO.: 18-0457-501 | SCALE: 1"=1000' | |
| PN: | AFE: | |
| REV. | DWN. | DESCRIPTION |
| | | DATE |