			CORPORATIO S CONSERVATI P.O. BOX 5200	ON DIVISION		Approval Date:	01/18/2018	
API NUMBER: 137 27524		OKLAH	OMA CITY, OK	73152-2000		Expiration Date: 07/18/2018		
izontal Hole Oil &	Gas		(Rule 165:10-3	-1)				
			PERMIT TO DR	<u>RILL</u>				
WELL LOCATION: Sec: 10	0 Twp: 2N Rge: 4W	County: STEF	PHENS					
SPOT LOCATION: NW		EET FROM QUARTER: FROM		WEST 1589				
Lease Name: 3R 0204		Well No:	6-3-34WXH	1505	Well will be	270 feet from neare	st unit or lease boundary.	
Operator MARATH Name:	ION OIL COMPANY		Telephone: 713	2962003	(	OTC/OCC Number:	1363 0	
MARATHON OIL C	OMPANY							
5555 SAN FELIPE	ST				NTAL RESOU	JRCES, INC.		
HOUSTON,	TX 77	7056-2701		20 N. BROADWAY				
		000 2101		OKLAHO	MA CITY	OK 7	3102	
1 WOODFORE 2 3 4 5 Spacing Orders: 619032 599919		14113 Location Exception	6 7 8 9 10 Orders:		Incr	reased Density Orders:		
Pending CD Numbers: 2013	704942				Spe	ecial Orders:		
2017	704924							
2017	704929							
	704941							
	704927							
2017	704926							
Total Depth: 24673	Ground Elevation: 1191	Surface	Casing: 1500		Depth to	base of Treatable Wate	r-Bearing FM: 400	
Under Federal Jurisdiction:	No	Fresh Wate	Supply Well Drilled:	No		Surface Water	used to Drill: Yes	
PIT 1 INFORMATION			Арр	roved Method for a	disposal of Drilling	Fluids:		
	D Closed System Means Stee	el Pits						
Type of Mud System: WATE					blication (REQUI	RES PERMIT)	PERMIT NO: 17-3284	
Chlorides Max: 5000 Average		of pit2 V	H.:	SEE MEMO				
Within 1 mile of municipal wate Wellhead Protection Area?	r greater than 10ft below base of er well? N N	י אווייין אין אין אין אין אין אין אין אין אין						
	ologically Sensitive Area.							
Category of Pit: C								
Liner not required for Categ	ory: C							
Pit Location is BED AQUIF	ER							

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. 

 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 located in a Hydrologically Sensitive Area.

 Category of Pit:
 C

 Liner not required for Category: C
 C

Pit Location is BED AQUIFER Pit Location Formation: DUNCAN

## HORIZONTAL HOLE 1

Sec	34	Twp	3N	Rge	4W	/ (	County	GARVIN
Spot I	Locatior	n of En	d Point:	NE	Ξ	NW	NE	NW
Feet I	From:	NOF	RTH 1	/4 Sec	ctior	1 Line	: 50	
Feet I	From:	WE	ST <sup>7</sup>	I/4 Se	ctior	n Line	: 17	50
Depth of Deviation: 13571								
Radius of Turn: 477								
Direction: 5								
Total Length: 10353								
Measured Total Depth: 24673								
True Vertical Depth: 14761								
End Point Location from Lease,								
Unit, or Property Line: 50								

Notes:	
Category	Description
DEEP SURFACE CASING	1/17/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	1/17/2018 - 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
МЕМО	1/17/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201704924	1/17/2018 - G75 - 3-2N-4W X619032 WDFD 8 WELLS MARATHON OIL CO. REC 11-2-2017 (THOMAS)

137 27524 3R 0204 6-3-34WXH

Category	Description
PENDING CD - 201704926	1/17/2018 - G75 - (I.O.) 3-2N-4W X165:10-3-28(C)(2)(B) WDFD (3R 0204 6-3-34WXH) MAY BE CLOSER THAN 600' TO EXISTING/PROPOSED WELLS MARATHON OIL CO. REC 11-2-2017 (THOMAS)
PENDING CD - 201704927	1/17/2018 - G75 - 34-3N-4W X599919 WDFD 8 WELLS MARATHON OIL CO. REC 11-2-2017 (THOMAS)
PENDING CD - 201704929	1/17/2018 - G75 - (I.O.) 34-3N-4W X165:10-3-28(C)(2)(B) WDFD (3R 0204 6-3-34WXH) MAY BE CLOSER THAN 600' TO EXISTING/PROPOSED WELLS MARATHON OIL CO. REC 11-2-2017 (THOMAS)
PENDING CD - 201704941	1/17/2018 - G75 - (I.O.) 3-2N-4W & 34-3N-4W EST MULTIUNIT HORIZONTAL WELL X619032 WDFD 3-2N-4W X599919 WDFD 34-3N-4W 50% 3-2N-4W 50% 34-3N-4W MARATHON OIL CO. REC 11-2-2017 (THOMAS)
PENDING CD - 201704942	1/17/2018 - G75 - (I.O.) 3-2N-4W & 34-3N-4W X619032 WDFD 3-2N-4W X599919 WDFD 34-3N-4W COMPL. INT. (3-2N-4W) NCT 150' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (34-3N-4W) NCT 0' FSL, NCT 150' FNL, NCT 330' FWL MARATHON OIL CO. REC 11-2-2017 (THOMAS)
SPACING - 599919	1/17/2018 - G75 - (640) 34-3N-4W EXT 360755 WDFD, OTHERS
SPACING - 619032	1/17/2018 - G75 - (640)(HOR) 3-2N-4W EXT 603571 WDFD POE TO BHL NLT 330' FB (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)

