

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

API NUMBER: 073 26229

Approval Date: 08/24/2018

Expiration Date: 02/24/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 19N Rge: 6W

County: KINGFISHER

SPOT LOCATION: ☐ SE ☐ SE ☐ SW ☐ SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 239 1631

Lease Name: VALOR 1906

Well No: 1-22/27MH

Well will be 239 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

RAY KOKOJAN TRUST
PO BOX 3448
ENID OK 73702

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

| Name | Depth | Name | Depth |
|--------------------------------|-------|------|-------|
| 1 MISSISSIPPIAN (LESS CHESTER) | 7410 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 676944

Location Exception Orders: 676815

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12500

Ground Elevation: 1170

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 210

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 18-35182

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 22 Twp 19N Rge 6W County KINGFISHER

Spot Location of End Point: NW NE NE SE

Feet From: SOUTH 1/4 Section Line: 2484

Feet From: EAST 1/4 Section Line: 355

Depth of Deviation: 6495

Radius of Turn: 573

Direction: 10

Total Length: 7605

Measured Total Depth: 15000

True Vertical Depth: 7410

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

Notes:

Category

Description

DEEP SURFACE CASING

8/14/2018 - 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

8/14/2018 - 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

LOCATION EXCEPTION - 676815

8/22/2018 - G58 - (I.O.) SE4 22 & E2 27-19N-6W
X676944 MSNLC
COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL
OKLAHOMA ENERGY ACQUISITIONS, LP
4/25/2018

SPACING - 41865

8/22/2018 - G58 - (80) 22 & 27-19N-6W SU NE/SW
EXT OTHER
EST MSSLM

SPACING - 47301

8/22/2018 - G58 - (80) 22 & 27-19N-6W
CONSOL 41865/VAR/44130 MSSLM = MSSSD AND IS A SINGLE COMMON SOURCE OF SUPPLY

SPACING - 676944

8/22/2018 - G58 - (IRR UNIT) (480) SE4 22 & E2 27-19N-6W
EST MSNLC, OTHERS
COMPL. INT. NLT 660' FB
(COEXIST SP. ORDER 41865/47301 MSSSD)

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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.

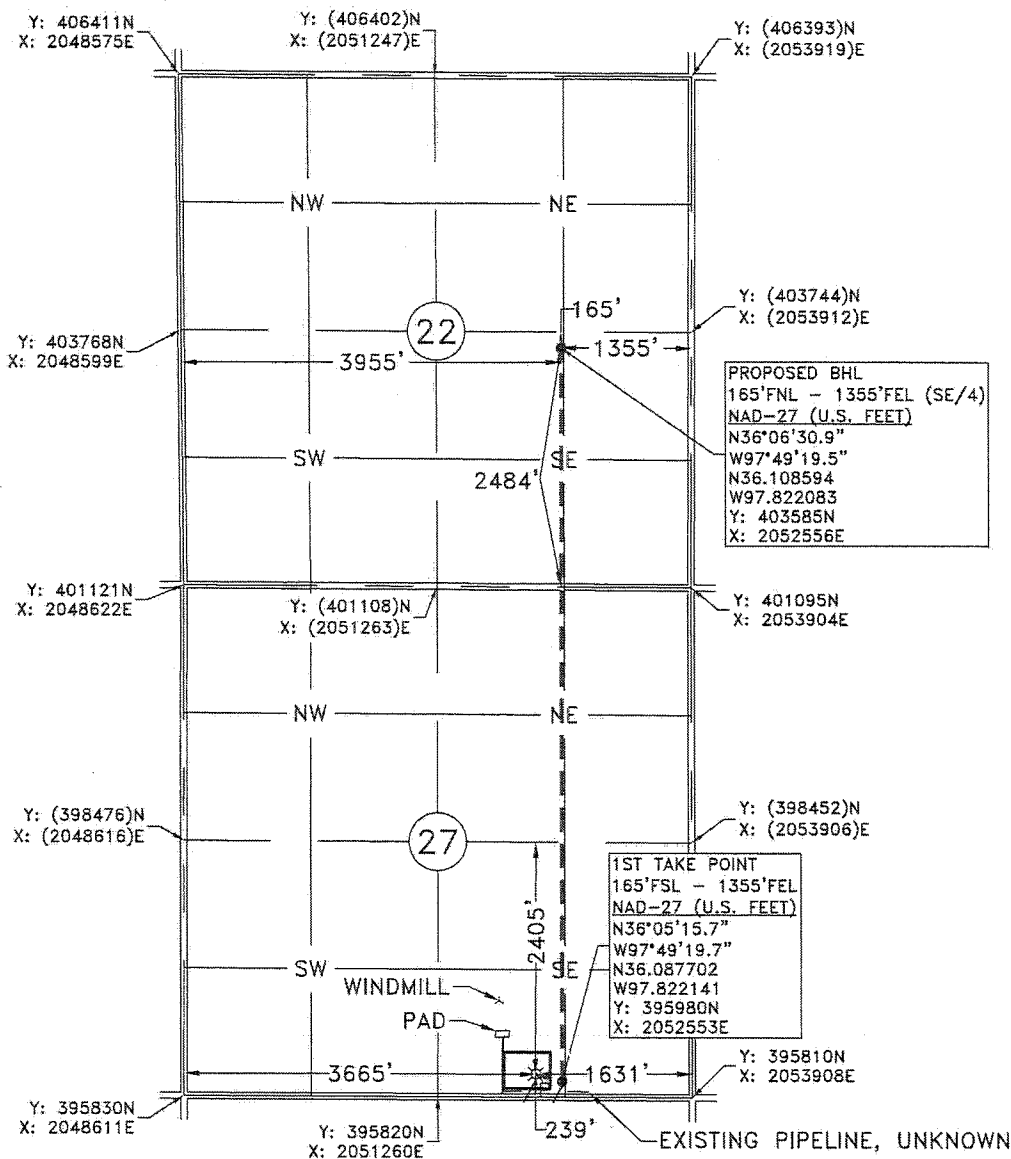
073 26229 VALOR 1906 1-22/27MH

073-26229

KINGFISHER County, Oklahoma

239'FSL - 1631'FEL Section 27 Township 19N Range 06W I.M.

BEARINGS ARE GRID
OKLAHOMA SPC, NAD 27, NORTH ZONE



GPS OBSERVATION: LATITUDE: N36°05'16.5"
LONGITUDE: W97°49'23.1"
LATITUDE: N36.087908
LONGITUDE: W97.823076

STATE PLANE NAD 27
OKLAHOMA NORTH ZONE

Y: 396055N
X: 2052277E

Operator: OKLAHOMA ENERGY ACQUISITIONS, LPDate Staked: 8/1/2018Lease Name: VALOR 1906Well No.: 1-22/27MHElevation: 1170'Topography and Vegetation: CULTIVATIONGood Drill Site? YESReference or Alt. Location Stakes Set: NONEBest Accessibility to Location: FROM COUNTY ROAD

Distance and Direction

from Hwy. Jct. or town: FROM HENNESSEY, OK, HEAD SOUTH 1.5 MILES ON S. MAIN ST./US HWY 81.