

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

API NUMBER: 133 25261

Approval Date: 10/31/2017  
Expiration Date: 04/30/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 8N Rge: 5E County: SEMINOLE  
SPOT LOCATION: ☐ NE ☐ NW ☐ NW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 2539 2091

Lease Name: CLUCK A

Well No: 18

Well will be 549 feet from nearest unit or lease boundary.

Operator Name: CUESTA PETROLEUM INC

Telephone: 4058780744

OTC/OCC Number: 14397 0

CUESTA PETROLEUM INC  
23 E 9TH ST STE 403  
SHAWNEE, OK 74801-6963

DANELLE JOHNSON  
12510 OLD HWY. 99  
SEMINOLE OK 74868

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

	Name	Depth		Name	Depth
1	CALVIN	2900	6	FERNVALE	4070
2	EARLSBORO	3525	7	VIOLA	4100
3	PENN BASAL UNCONF SAND	3810	8	1ST WILCOX	4175
4	WOODFORD	3830	9	MARSHALL DOLO	4200
5	HUNTON	3910	10	2ND WILCOX	4235

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4400

Ground Elevation: 916

Surface Casing: 1070

Depth to base of Treatable Water-Bearing FM: 1020

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: 8000 Average: 5000

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: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

E. Haul to Commercial pit facility: Sec. 19 Twn. 8N Rng. 5E Cnty. 125 Order No: 274874

H. MIN. 20-MIL PIT LINER REQUIRED

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>10/30/2017 - G71 - 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>
SPACING	<p>10/31/2017 - G75 - FORMATIONS UNSPACED; 160-ACRE LEASE (S2 NE4 &amp; N2 SE4)</p>