

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

API NUMBER: 025 21077

Approval Date: 08/09/2018
Expiration Date: 02/09/2019

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 1N Rge: 9ECM County: CIMARRON

SPOT LOCATION: C W2 SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 660 330

Lease Name: JCH Well No: 5 Well will be 330 feet from nearest unit or lease boundary.

Operator Name: SEC PRODUCTION INC Telephone: 4057150088 OTC/OCC Number: 7983 0

SEC PRODUCTION INC
3206 TEAKWOOD LN
EDMOND, OK 73013-3709

NELLIE M. THRASHER TRUST
P.O. BOX 428
TEXHOMA OK 73949

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

Name	Depth	Name	Depth
1 MORROW SAND	4850	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 38746 Location Exception Orders: 201803359 Increased Density Orders: 680511

Pending CD Numbers: Special Orders:

Total Depth: 4850 Ground Elevation: 3683 Surface Casing: 1650 Depth to base of Treatable Water-Bearing FM: 590

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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.

025 21077 JCH 5

Category	Description
DEEP SURFACE CASING	8/8/2018 - 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	7/31/2018 - 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 - 680511	8/9/2018 - G57 - 2-1N-9ECM X38746 MRRW 2 WELLS SEC PRODUCTION, INC. 7-23-2018
LOCATION EXCEPTION - 201803359	8/9/2018 - G57 - (I.O.) 2-1N-9ECM X38746 MRRW 660' FSL, 330' FWL NO OP. NAMED REC 6-4-2018 (M. PORTER)
SPACING - 38746	8/9/2018 - G57 - (640) 2-1N-9ECM EXT OTHERS EXT 33689/37980 MWSD

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.