

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

API NUMBER: 043 23580

Approval Date: 12/21/2017

Expiration Date: 06/21/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 18N Rge: 16W

County: DEWEY

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 165 1980

Lease Name: OH HENRY

Well No: 15-1H

Well will be 165 feet from nearest unit or lease boundary.

Operator Name: CARRERA ENERGY LLC

Telephone: 4326956970

OTC/OCC Number: 23514 0

CARRERA ENERGY LLC

PO BOX 5036

MIDLAND, TX 79704-5036

CAROLYN J. DEDRICK REVOCABLE TRUST

ROUTE 1, BOX 34

SEILING OK 73663

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	10687	6	
2	WOODFORD	11600	7	
3			8	
4			9	
5			10	

Spacing Orders: 659032

Location Exception Orders: 659616

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16300

Ground Elevation: 1704

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 140

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: 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: 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: 17-33556

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 15 Twp 18N Rge 16W County DEWEY

Spot Location of End Point: S2 S2 SE SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 10369

Radius of Turn: 1000

Direction: 180

Total Length: 4360

Measured Total Depth: 16300

True Vertical Depth: 11611

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

Notes:

Category	Description
DEEP SURFACE CASING	12/1/2017 - 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	12/1/2017 - 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
INTERMEDIATE CASING	12/1/2017 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 659616	12/14/2017 - G57 - (I.O.) 15-18N-16W X659032 MSSP, WDFD COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 1320' FWL CARRERA ENERGY, LLC. 1-5-2017
SPACING - 659032	12/14/2017 - G57 - (640)(HOR) 15-18N-16W EXT 649378 MSSP EXT 595892 WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST WITH NON-HORIZONTAL DRILLING & SPACING)
SURFACE HOLE LOCATION	12/21/2017 - G57 - SURFACE HOLE LOCATION 165' FNL, 1980' FWL PER STAKING PLAT

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043 23580 OH HENRY 15-1H