

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

API NUMBER: 051 24266

Approval Date: 01/29/2018

Expiration Date: 07/29/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 4N Rge: 5W

County: GRADY

SPOT LOCATION: ☐ NW ☐ NE ☐ NE ☐ NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 253 600

Lease Name: VERDUGO

Well No: 1-34-27WXH

Well will be 253 feet from nearest unit or lease boundary.

Operator Name: CASILLAS OPERATING LLC

Telephone: 9185825310

OTC/OCC Number: 23838 0

CASILLAS OPERATING LLC
PO BOX 3668
TULSA, OK 74101-3668

ROY SPARKS TRUST
2828 NICHOLS ROAD
CHICKASHA OK 73018

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

	Name	Depth	Name	Depth
1	SYCAMORE	12154	6	
2	WOODFORD	12454	7	
3	HUNTON	12674	8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201708229
201708230
201708287
201708288

Special Orders:

Total Depth: 22716

Ground Elevation: 1120

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 180

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 5000 Average: 3000

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 BED AQUIFER

Pit Location Formation: DUNCAN

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

PERMIT NO: 18-33707

H. SEE MEMO

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

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 27 Twp 5N Rge 5W County GRADY

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 380

Depth of Deviation: 11598

Radius of Turn: 573

Direction: 5

Total Length: 10217

Measured Total Depth: 22716

True Vertical Depth: 12674

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

Notes:

Category

Description

DEEP SURFACE CASING

1/10/2018 - 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

1/10/2018 - 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

MEMO

1/10/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201708229

1/18/2018 - G57 - (E.O.)(640)(HOR) 27-5N-5W
EST SCMR, WDFD, HNTN
(COEXIST SP. ORDER #285217 W2 & 357677 NW4 & S2 SCMR, WDFD, HNTN)
REC 12-18-2017 (JOHNSON)

This permit does not address the right of entry or settlement of surface damages.

051 24266 VERDUGO 1-34-27WXH

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
PENDING CD - 201708230	1/18/2018 - G57 - (E.O.)(640)(HOR) 34-5N-5W EST SCMR EXT 634395 WDFD, HNTN (COEXIST SP. ORDER #357677 W2 SCMR, HNTN, NW4 WDFD, ORDER #384100 SW4 WDFD) REC 12-18-2017 (JOHNSON)
PENDING CD - 201708287	1/18/2018 - G57 - (E.O.) 34 & 27-5N-5W EST MULTIUNIT HORIZONTAL WELL X201708230 SCMR, WDFD, HNTN 34-5N-5W X201708229 SCMR, WDFD, HNTN 27-5N-5W (SCMR & HNTN ADJACENT COMMON SOURCES OF SUPPLY TO WDFD) 50% 34-5N-5W 50% 27-5N-5W CASILLAS PETROLEUM RESOURCE PARTNERS, LLC. REC 12-18-2017 (JOHNSON)
PENDING CD - 201708288	1/18/2018 - G57 - (E.O.) 34 & 27-5N-5W X201708230 SCMR, WDFD, HNTN 34-5N-5W X201708229 SCMR, WDFD, HNTN 27-5N-5W X165:10-3-28(C)(2)(B) MAY BE CLOSER THAN 600' TO EXISTING WELLBORE COMPL. INT. (34-5N-5W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (27-5N-5W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL CASILLAS PETROLEUM RESOURCE PARTNERS, LLC. REC 12-18-2017 (JOHNSON)
SURFACE CASING	1/10/2018 - G71 - MIN. 300' PER ORDER 31521

This permit does not address the right of entry or settlement of surface damages.

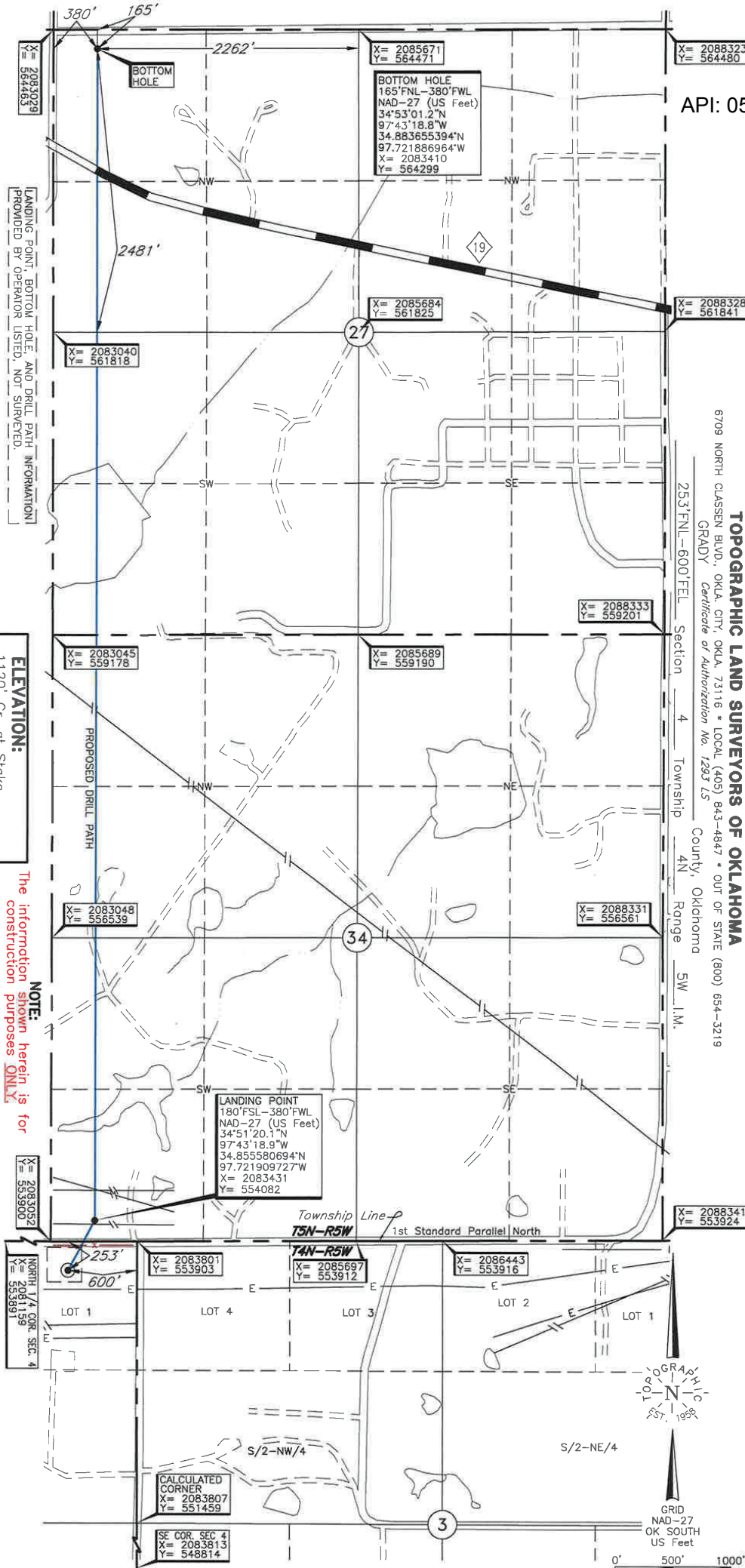
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API: 051 24266

6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 GRADY Certificate of Authorization No. 1293 JS
 253 FNL-600' FEL Section 4 Township 4N Range 5W I.M. County, Oklahoma

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA



LANDING POINT, BOTTOM HOLE, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

ELEVATION:
1120' Gr. at Stake

NOTE:
The information shown herein is for construction purposes ONLY.

Operator: CASILLAS OPERATING, LLC
 Lease Name: VERDUGO
 Topography & Vegetation: Loc. fell in sloping grass pasture; ±219' South of E-W fence.
 Good Drill Site? Yes
 Reference Stakes or Alternate Location: Stakes Set None
 Best Accessibility to Location: From North off county road
 Distance & Direction: From Bradley, OK, go ±1.5 mi. S-E-S, then ±0.9 mi. West on county road to the NE Cor. of Sec. 4-T4N-R5W

DATUM: NAD-27
 LAT: 34°51'15.8"N
 LONG: 97°43'21.6"W
 LAT: 34.854390157°N
 LONG: 97.722678212°W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK SOUTH
 X: 2083202
 Y: 553648

(This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.)

Date of Drawing: Dec. 6, 2017
 Invoice # 285051 Date Staked: Nov. 29, 2017
CERTIFICATE:
 I, Thomas L. Howell, an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

