

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

API NUMBER: 015 23291 A

Approval Date: 12/07/2017  
Expiration Date: 06/07/2018

Horizontal Hole Oil & Gas

Amend reason: AMEND OCC ORDERS AND BOTTOM HOLE INFORMATION.

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 8N Rge: 11W

County: CADDO

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 464 254

Lease Name: CHILI PEPPER

Well No: 8-11-35-1H

Well will be 254 feet from nearest unit or lease boundary.

Operator Name: POBLANO ENERGY LLC

Telephone: 3077637752

OTC/OCC Number: 24081 0

POBLANO ENERGY LLC  
5773 WOODWAY DR STE 211  
HOUSTON, TX 77057-1501

W.M ROGERS & PATRICIA SCOTT  
31189 COUNTY STREET 2620  
ANADARKO OK 73005

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

Name	Depth	Name	Depth
1 HOXBAR	8234	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 226319

Location Exception Orders: 671527

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15331

Ground Elevation: 1309

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 260

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: RUSH SPRINGS

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

PERMIT NO: 17-33165

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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 35 Twp 8N Rge 11W County CADDO

Spot Location of End Point: N2 NE NE NE

Feet From: NORTH 1/4 Section Line: 215

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 9500

Radius of Turn: 700

Direction: 359

Total Length: 4732

Measured Total Depth: 15331

True Vertical Depth: 10825

End Point Location from Lease,  
Unit, or Property Line: 215

Notes:

Category

Description

DEEP SURFACE CASING

11/15/2017 - 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

11/15/2017 - 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](http://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](http://FRACFOCUS.ORG)

LOCATION EXCEPTION - 671527

1/11/2018 - G58 - (I.O.) 35-8N-11W  
X226319 HXBR  
COMPL. INT. NCT 330' FNL, NCT 330' FSL, NCT 330' FEL  
NO OP. NAMED  
12/28/2017

MEMO

11/15/2017 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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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.

015 23291 CHILI PEPPER 8-11-35-1H

Category	Description
SPACING - 226319	12/1/2017 - G58 - (640) 35-8N-11W EXT OTHERS EXT 89268/208865 HXBR
WATERSHED STRUCTURE	11/15/2017 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (405) 247-3747 PRIOR TO DRILLING