

API NUMBER: 141 20531

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

Approval Date: 09/13/2021  
Expiration Date: 03/13/2023

Straight Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 07 Township: 3S Range: 18W County: TILLMAN

SPOT LOCATION: ☐ SW ☐ SE ☐ NW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 1267 1900

Lease Name: STONER Well No: 2 Well will be 740 feet from nearest unit or lease boundary.  
Operator Name: AC OPERATING COMPANY LLC Telephone: 7138819030 OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC  
952 ECHO LN STE 390  
HOUSTON, TX 77024-2851

CHARLES AND LAQUITA STONE  
1213 ELM STREET  
BEDFORD TX 76021

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

	Name	Code	Depth
1	HENDERSON	406HDRS	3200
2	CANYON	405CNYN	3300
3	STRAWN	404STRN	4600
4	MISSISSIPPIAN	359MSSP	5155

Spacing Orders: 658650

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 5500 Ground Elevation: 1269

Surface Casing: 175

Depth to base of Treatable Water-Bearing FM: 110

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. (Other)

1B MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT  
PRIOR TO TESTING SOIL PIT LINER

**PIT 1 INFORMATION**

Type of Pit System: ON SITE

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: 1B

Liner required for Category: 1B

Pit Location is: AP/TE DEPOSIT

Pit Location Formation: TERRACE

**NOTES:**

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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>[9/9/2021 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS 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 IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
SPACING	[9/12/2021 - G56] - HDRS, CNYN, MSSP UNSPACED; 160-ACRE LEASE (NE4)
SPACING - 658650	[9/12/2021 - G56] - (UNIT) N2 7-3S-18W EST SOUTH TRIMUE UNIT FOR STRN

