

API NUMBER: 019 26407

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

Approval Date: 10/01/2020
Expiration Date: 04/01/2022

Straight Hole Injection

PERMIT TO DRILL

WELL LOCATION: Section: 34 Township: 2S Range: 2W County: CARTER

SPOT LOCATION: ☐ NE ☐ NE ☐ NE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 2390 270

Lease Name: MIDWAY SWD Well No: 1-34 Well will be 270 feet from nearest unit or lease boundary.
Operator Name: PAY DIRT ENERGY LLC Telephone: 4053413282 OTC/OCC Number: 23656 0

PAY DIRT ENERGY LLC
24225 N COUNCIL RD
EDMOND, OK 73025-9722

DAVID R. GAYANICH & JUDY C. GAYANICH
14201 MIDWAY RD
SPRINGER OK 73458

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

	Name	Code	Depth
1	HOXBAR	405HXBR	3100
2	DEESE	404DEESS	3500
3	CULBERSON	404CLBR	5200

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 6700

Ground Elevation: 990

Surface Casing: 1400

Depth to base of Treatable Water-Bearing FM: 1200

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 20-37416
H. (Other) CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

PIT 1 INFORMATION

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: ALLUVIAL

Pit Location Formation: ALLUVIUM

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>[10/1/2020 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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: OCCWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>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</p>
SPACING	[10/1/2020 - GC2] - N/A DISPOSAL WELL