

API NUMBER: 043 23730

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

Approval Date: 10/19/2021
Expiration Date: 04/19/2023

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 34 Township: 18N Range: 16W County: DEWEY

SPOT LOCATION: ☐ SW ☐ SW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 220 1600

Lease Name: THE REPLACEMENT 18-16-34 Well No: 1H Well will be 220 feet from nearest unit or lease boundary.

Operator Name: STAGHORN PETROLEUM II LLC Telephone: 9185842558 OTC/OCC Number: 24056 0

STAGHORN PETROLEUM II LLC
1 W 3RD ST STE 1000
TULSA, OK 74103-3500

JUSTIN FOX & DUSTY FOX
66972 N. 2280 ROAD
TALOGA OK 73667

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

Name	Code	Depth
1 RED FORK	404RDFK	9020

Spacing Orders: 566973

Location Exception Orders: 720545

Increased Density Orders: 720465

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 14830

Ground Elevation: 1821

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 160

Deep surface casing has been approved

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: 21-37736

H. (Other)

SEE MEMO

PIT 1 INFORMATION

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

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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.

HORIZONTAL HOLE 1

Section: 34 Township: 18N Range: 16W Meridian: IM Total Length: 5220
 County: DEWEY Measured Total Depth: 14830
 Spot Location of End Point: E2 NE NW NE True Vertical Depth: 9140
 Feet From: **NORTH** 1/4 Section Line: 330 End Point Location from
 Feet From: **EAST** 1/4 Section Line: 1334 Lease, Unit, or Property Line: 330

NOTES:

Category	Description
DEEP SURFACE CASING	[10/18/2021 - GC2] - 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	<p>[10/18/2021 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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 FRACFOCUS.ORG</p>
INCREASED DENSITY - 720465	<p>[10/19/2021 - G56] - 34-18N-16W X566973 RDFK 1 WELL STAGHORN PETROLEUM II, LLC 9/8/2021</p>
INTERMEDIATE CASING	[10/18/2021 - GC2] - 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 - 720545	<p>[10/19/2021 - G56] - (I.O.) 34-18N-16W X566973 RDFK COMPL INT NCT 330' FNL, NCT 330' FSL, NCT 660' FEL STAGHORN PETROLEUM II, LLC 9/13/2021</p>
MEMO	[10/18/2021 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 566973	<p>[10/18/2021 - G56] - (640)(HOR) 34-18N-16W EST RDFK COMPL INT NCT 660' FB (COEXIST EXISTING NON-HORIZONTAL SPACING UNITS; SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)</p>

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Well Location Plat

Sec. 34-18N-16W I.M.

Operator: STAGHORN PETROLEUM, LLC

Lease Name and No.: THE REPLACEMENT 18-16-34 1H

Surface Hole Location: 220' FSL - 1600' FWL Pad Elevation: 1821'

SW/4-SW/4-SE/4-SW/4 Section: 34 Township: 18N Range: 16W I.M.

Bottom Hole Location: 330' FNL - 1334' FEL

SE/4-NE/4-NW/4-NE/4 Section: 34 Township: 18N Range: 16W I.M.

County: Dewey State of Oklahoma

Terrain at Loc.: Location fell on existing level pad site.



All bearings shown are grid bearings.



1" = 1000'

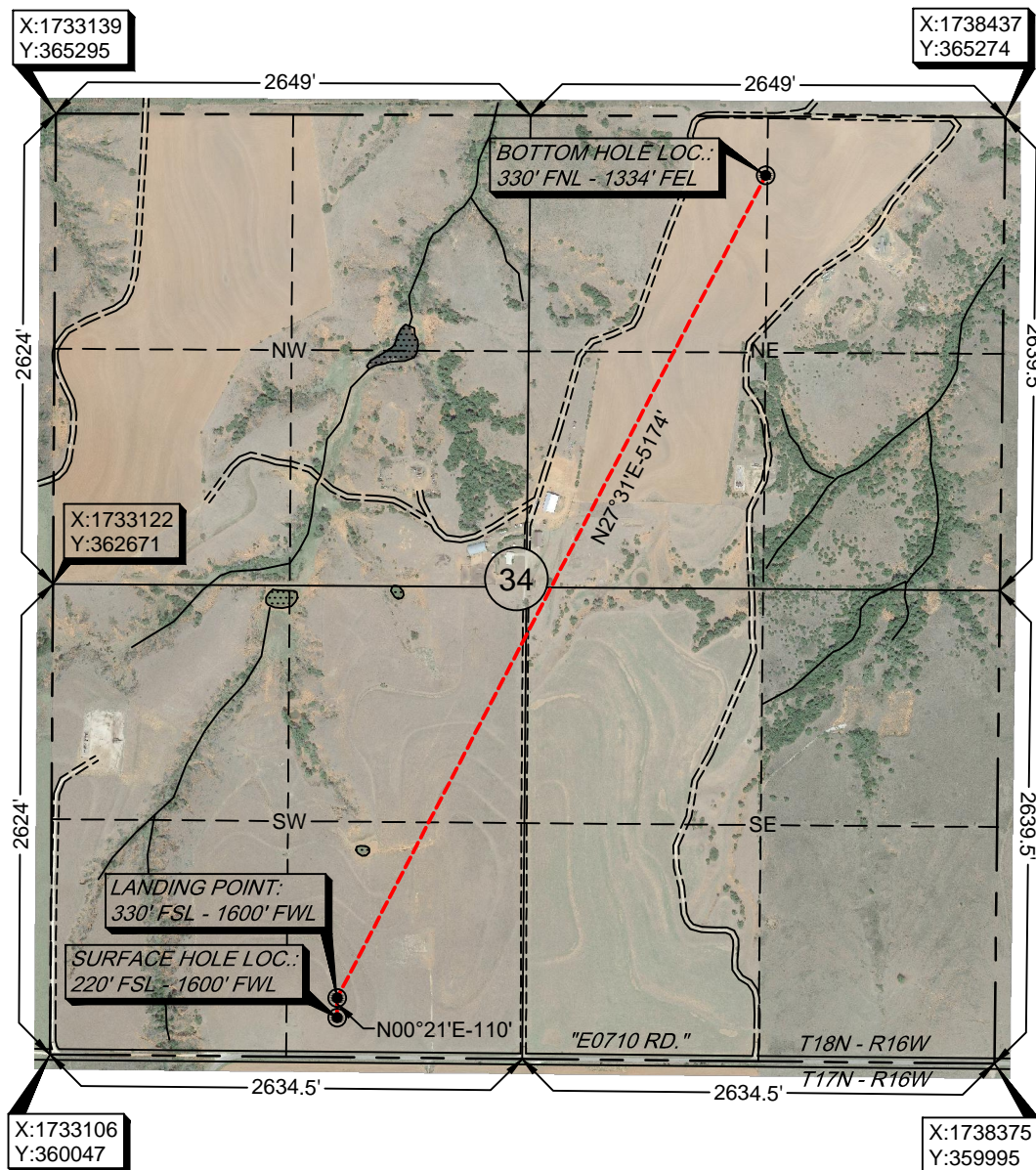
GPS DATUM
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°59'10.73"N
Lon: 98°53'48.15"W
Lat: 35.98631525
Lon: -98.89670878
X: 1734708
Y: 360251

Landing Point:
Lat: 35°59'11.82"N
Lon: 98°53'48.16"W
Lat: 35.98661745
Lon: -98.89670990
X: 1734708
Y: 360361

Bottom Hole Loc.:
Lat: 35°59'57.42"N
Lon: 98°53'19.58"W
Lat: 35.99928229
Lon: -98.88877180
X: 1737099
Y: 364949

Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS. -NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. -Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportional distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.



Survey and plat by:

Arkoma Surveying and Mapping, PLLC

P.O. Box 238 Wilburton, OK 74578

Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. 5348

Expires June 30, 2022

Invoice #9453-A

Date Staked: 10/14/2021 By: D.W.

Date Drawn: 10/13/2021 By: R.M.

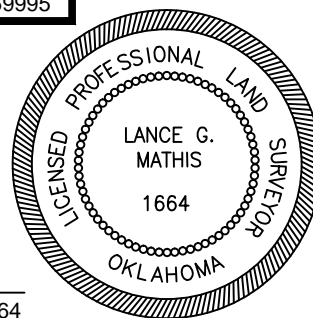
Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Lance G. Mathis
LANCE G. MATHIS

10/14/2021

OK LPLS 1664





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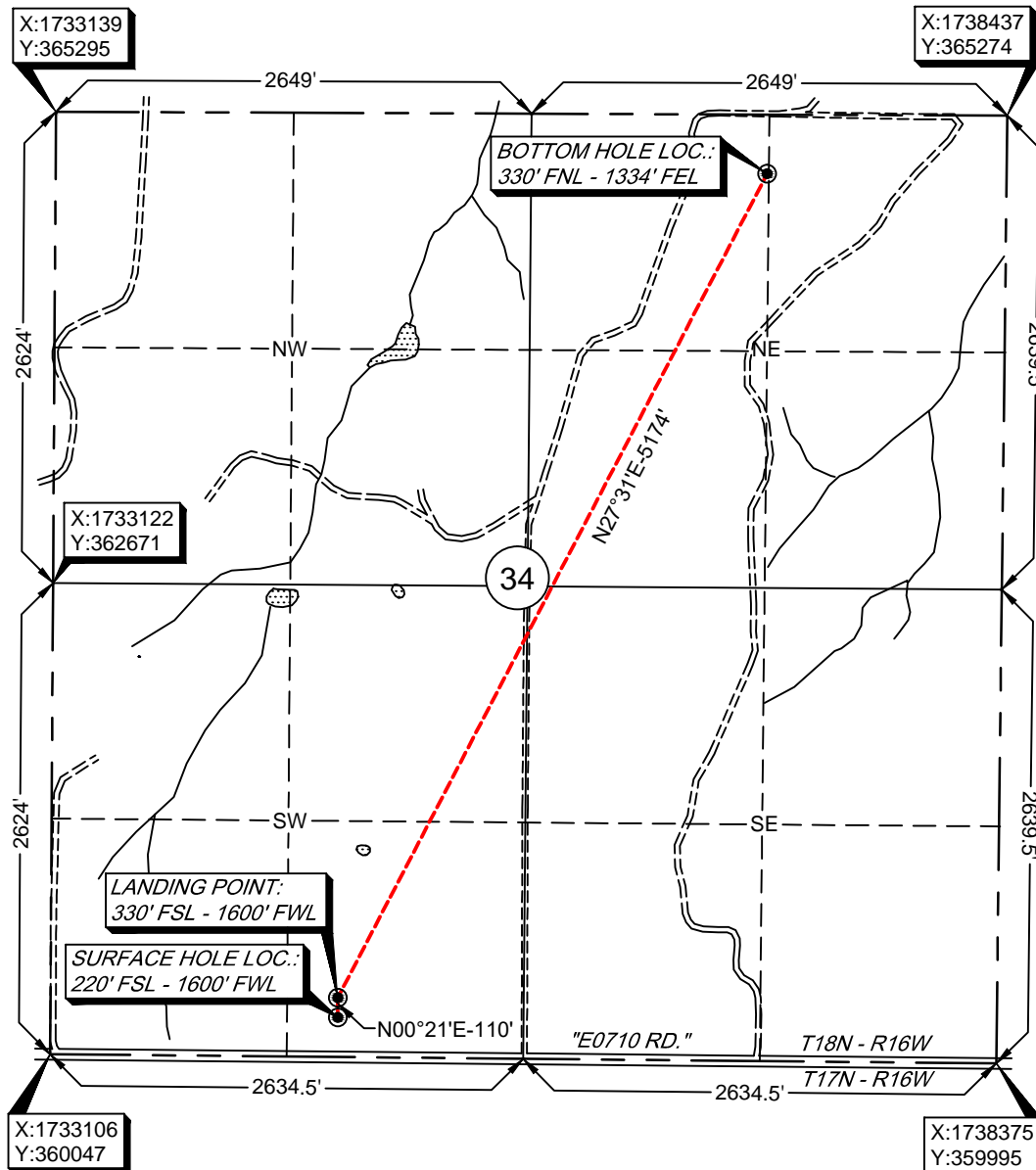
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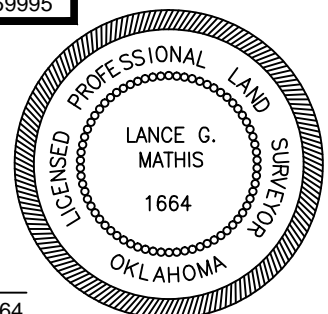
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Lance G. Mathis
LANCE G. MATHIS

10/14/2021

OK LPLS 1664

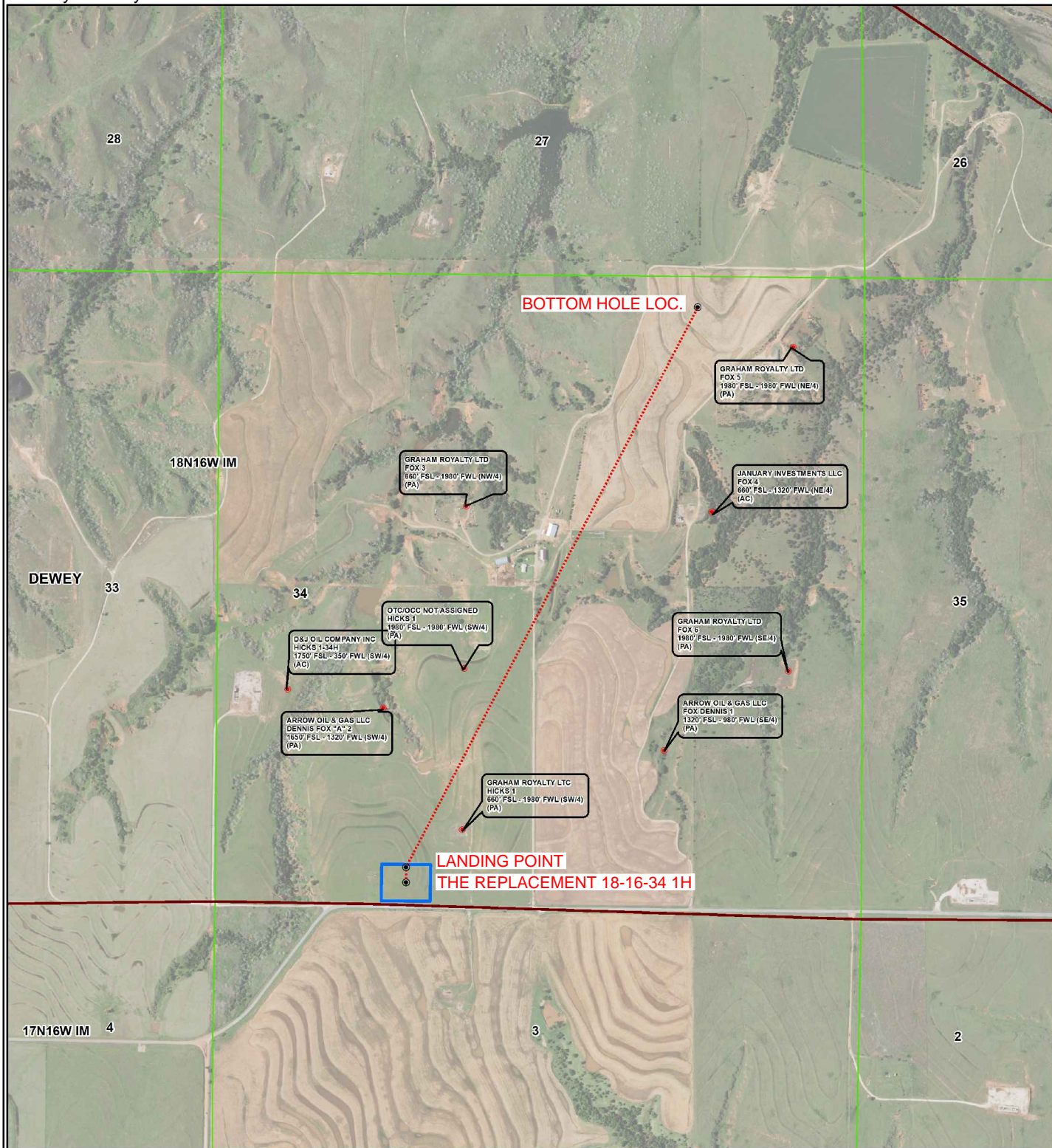
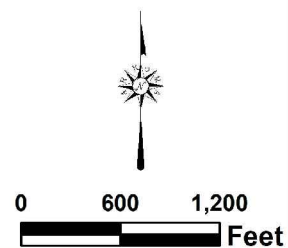




Anti-Collision

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County: Dewey State of Oklahoma





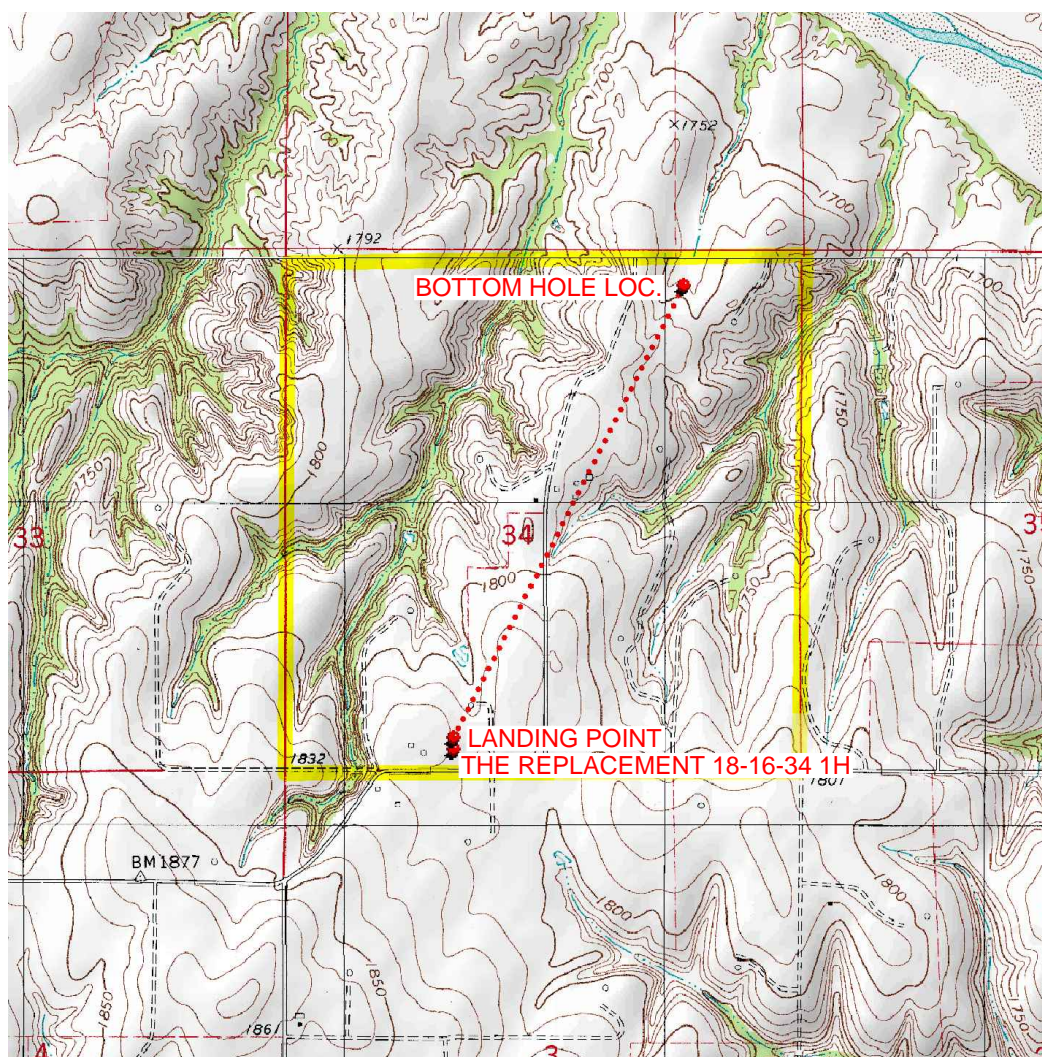
Topographic Vicinity Map

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Ground Elevation at Surface Hole Location: 1821'

Scale 1" = 2000'
Contour Interval: 10'



Provided by:
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Expires June 30, 2022

Date Staked: 06/28/2021

The purpose of this map is to verify the location and elevation as staked on the ground and to show the surrounding Topographic features. The footage shown hereon is only as SCALED onto a U.S.G.S. Topographic Map.

Please note that this location was staked carefully on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed.

Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined.

County Highway Vicinity Map

Job #: 9453-A

Operator: STAGHORN PETROLEUM, LLC

Lease Name and No.: THE REPLACEMENT 18-16-34 1H

Accessibility: From the Southeast.

Directions: From the junction of "E740 Rd." & US Highway 270 in Oakwood, OK, go Northwest on US Highway 270 for 4.0 miles, then go West on "E0710 Rd." for 8.25 miles, location will be on the North side of the road.



1 inch = 1.5 mile

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