| PI NUMBER: 017 25575 prizontal Hole Oil & Gas | OIL & GAS C P OKLAHON | DRPORATION COI CONSERVATION D .O. BOX 52000 IA CITY, OK 73152 tule 165:10-3-1) | IVISION | Approval Date: Expiration Date: | 12/13/2019 06/13/2021 |
|--|-----------------------------|--|-------------------------|------------------------------------|----------------------------|
| | PE | RMIT TO DRILL | | | |
| | | | | | |
| WELL LOCATION: Sec: 01 Twp: 14N Rge: 8W | County: CANADIA | AN | | | |
| | | UTH FROM EAST | | | |
| | SECTION LINES: 118 | 88 619 | | | |
| Lease Name: GRELLNER 1408 | Well No: 4- | 1MH | Well will I | be 619 feet from neare | st unit or lease boundary. |
| Operator MARATHON OIL COMPANY Name: | | Telephone: 405728522 | 8 | OTC/OCC Number: | 1363 0 |
| MARATHON OIL COMPANY | | NF | AL R. GOODWII | | |
| PO BOX 68 | | | 09 SOUTH W ST | | |
| HOUSTON, TX 7 | 7001-0068 | | | | 2002 |
| | | FC. | ORT SMITH | | 2903 |
| 1 MISSISSIPPIAN 2 3 4 5 | 9000 | 6 7 8 9 10 | | | |
| Spacing Orders: 647318 | Location Exception Ord | ers: 703838 | 1 | ncreased Density Orders: | 705100 |
| Pending CD Numbers: | | | | Special Orders: | |
| | | | | | |
| Total Depth: 12831 Ground Elevation: 1208 | Surface Ca | sing: 1500 | De | oth to base of Treatable Wate | r-Bearing FM: 360 |
| | | Deep surfac | ce casing has bee | en approved | |
| Under Federal Jurisdiction: No | Fresh Water Su | pply Well Drilled: No | | Surface Water | used to Drill: Yes |
| PIT 1 INFORMATION | | Approved M | ethod for disposal of D | | |
| Type of Pit System: CLOSED Closed System Means Ste | ol Pite | , ppiored in | | | |
| Type of Mud System: WATER BASED | | D. One time | e land application (RI | EQUIRES PERMIT) | PERMIT NO: 19-3713 |
| Chlorides Max: 5000 Average: 3000 | | H. SEE ME | | ······, | |
| Is depth to top of ground water greater than 10ft below base Within 1 mile of municipal water well? N | of pit? Y | | | | |
| Wellhead Protection Area? N | | | | | |
| Pit is not located in a Hydrologically Sensitive Area. | | | | | |
| Category of Pit: C | | | | | |
| Liner not required for Category: C | | | | | |
| | | | | | |
| Pit Location is NON HSA | | | | | |

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 not located in a Hydrologically Sensitive Area. Category of Pit: C Liner not required for Category: C

Pit Location is NON HSA
Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

| Sec | 01 | Twp | 14N | Rge | 8W | C | ounty | CANADIAN |
|--------------------------------|----------|---------|--------|--------|----------|-----|-------|------------|
| Spot | Locatior | n of En | d Poin | t: N | N NE | Ξ | NE | NE |
| Feet | From: | NOF | RTH | 1/4 Se | ction Li | ne: | 50 | |
| Feet | From: | EAS | т | 1/4 Se | ction Li | ne: | 37 | 5 |
| Depth | n of Dev | iation: | 8523 | | | | | |
| Radiu | us of Tu | rn: 47 | 7 | | | | | |
| Direc | tion: 36 | 60 | | | | | | |
| Total Length: 3559 | | | | | | | | |
| Measured Total Depth: 12831 | | | | | | | | |
| True Vertical Depth: 9007 | | | | | | | | |
| End Point Location from Lease, | | | | | | | | |
| Unit, or Property Line: 50 | | | | | | | | |
| | | | | | | | | |
| Note | es: | | | | | | | |
| Cate | egory | | | | | | De | escription |

| Category | Description |
|--|---|
| DEEP SURFACE CASING | 12/9/2019 - 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 | 12/9/2019 - 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 |
| INCREASED DENSITY - 705100 (201904486) | 12/13/2019 - GC2 - 1-14N-8W X647318 MSSP 2 WELLS MARATHON OIL COMPANY 11-12-2019 |
| INTERMEDIATE CASING | 12/9/2019 - G71 - 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 - 703838 (201904485) | 12/13/2019 - GC2 - (I.O.) 1-14N-8W X647318 MSSP COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 330' FEL MARATHON OIL COMPANY 10-17-2019 |
|--|---|
| MEMO | 12/9/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| SPACING - 647318 | 12/13/2019 - GC2 - (640)(HOR) 1-14N-8W EXT 633940 MSSP EST OTHER COMPL. INT. NLT 660' FB (EXIST CONCURRENTLY NON-HORIZONTAL DRILLING AND SPACING UNITS) |

