

API NUMBER: 003 23407

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

Approval Date: 03/23/2022

Expiration Date: 09/23/2023

Horizontal Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 02 Township: 25N Range: 11W County: ALFALFA

SPOT LOCATION: SE SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 175 210

Lease Name: CROSSROADS

Well No: 3-2H

Well will be 175 feet from nearest unit or lease boundary.

Operator Name: AEXCO PETROLEUM INC

Telephone: 3038631110

OTC/OCC Number: 17342 0

AEXCO PETROLEUM INC
1675 BROADWAY STE 1900
DENVER, CO 80202-4631

MARTHA L. GAMBLE
2525 VIA CAMPESINA, #301
PALOS VERDES CA 90274

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

Name	Code	Depth
1 MISSISSIPPI LIME	351MSSLM	5695

Spacing Orders: 105169

Location Exception Orders: No Exceptions

Increased Density Orders: 720803

Pending CD Numbers: 202101634

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 11000

Ground Elevation: 1210

Surface Casing: 550

Depth to base of Treatable Water-Bearing FM: 470

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

Approved Method for disposal of Drilling Fluids:

E. Haul to Commercial pit facility	Sec. 10 Twn. 26N Rng. 15W Cnty. 151 Order No: 563714
H. (Other)	CLOSED SYSTEM=STEEL PITS (REQUIRED - EAST CLAY CREEK)

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

HORIZONTAL HOLE 1

Section: 2 Township: 25N Range: 11W Meridian: IM
County: ALFALFA

Total Length: 4980

Measured Total Depth: 11000

Spot Location of End Point: NW NE NE NE

True Vertical Depth: 5755

Feet From: NORTH 1/4 Section Line: 150

End Point Location from
Lease, Unit, or Property Line: 150

Feet From: EAST 1/4 Section Line: 650

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>[3/23/2022 - 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 - 720803	<p>[3/23/2022 - G56] - 2-25N-11W X105169 MSSLM 2 WELLS NO OP NAMED 9/27/2021</p>
PENDING CD - 202101634	<p>[3/23/2022 - G56] - (I.O.) 2-25N-11W X105169 MSSLM, OTHER COMPL INT NCT 150' FNL, NCT 150' FSL, NCT 600' FEL NO OP NAMED REC 1/20/2022 (HUBER)</p>
SPACING - 105169	<p>[3/23/2022 - G56] - (640) 2-25N-11W EXT 102799 MSSLM, OTHERS</p>
SURFACE CASING	<p>[3/23/2022 - GC2] - NO DEEP SURFACE CASING - LOST CIRCULATION IN 2 & 3-25N-11W</p>