

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

API NUMBER: 137 27607

Approval Date: 03/19/2020

Expiration Date: 09/19/2021

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 22 Township: 1S Range: 5W County: STEPHENS

SPOT LOCATION: SE SE NE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1485 2475

Lease Name: AOSU Well No: 3-23 Well will be 1485 feet from nearest unit or lease boundary.

Operator Name: HAYS PRODUCTION LLC Telephone: 5806568514 OTC/OCC Number: 21141 0

HAYS PRODUCTION LLC
PO BOX 51
VELMA, OK 73491-0051

CIRCLE H FARMS
PO BOX 51
VELMA OK 73491

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

Name	Code	Depth
1 PERMIAN	459PRMN	600

Spacing Orders: 205095

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 675

Ground Elevation: 0

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 220

Alternate Casing Program

Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL REQUIRED

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: 2

Liner not required for Category: 2

Pit Location is: BED AQUIFER

Pit Location Formation: PURCELL

NOTES:

Category	Description
ALTERNATE CASING	3/9/2020 - GC2 - APPROVED; (1) MUDDING UP PRIOR TO TD TO PROTECT SHALLOW SANDS & (2) COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)

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.

HYDRAULIC FRACTURING	3/9/2020 - GC2 - 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: OCCWEB.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
SPACING - 205045	3/19/2020 - GC2 - (UNIT) N2 NE4 SW4 & SE4 NE4 SW4 AD-OBAN-SAN PERMIAN SANDS UNIT FOR PRMN

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