

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

API NUMBER: 053 23464

Approval Date: 08/13/2019

Expiration Date: 02/13/2021

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 26N Rge: 3W

County: GRANT

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 990 2310

Lease Name: FLO

Well No: 2-10

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: PALM OIL & GAS COMPANY

Telephone: 9282045650

OTC/OCC Number: 15874 0

PALM OIL & GAS COMPANY
PO BOX 4808
SEDONA, AZ 86340-4808

FLORENCE LA CLERC
701 EAST FAIR
GARDEN CITY KS 67846

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

	Name	Depth		Name	Depth
1	ENDICOTT	2950	6	OSWEGO	4290
2	TONKAWA	3300	7	MISS'AN CHERT /CHAT/	4590
3	LAYTON	3750	8	MISS'AN LM	4680
4	CHECKERBOARD	4100	9	WILCOX	5000
5	BIG LIME	4230	10		

Spacing Orders: 48308
50611

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5050

Ground Elevation: 1100

Surface Casing: 170

Depth to base of Treatable Water-Bearing FM: 120

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: WATER BASED

Chlorides Max: 3000 Average: 2500

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: GARBER

Notes:

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX 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>7/16/2019 - G71 - 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	8/13/2019 - GC2 - ENDC, TNKW, SLYTN, CCKB, BGLM,OSWG, WLCX UNSPACED, 80-ACRES N2 NW
SPACING - 48308	8/13/2019 - GC2 - (40) 10-26N-3W EST MSCH
SPACING - 50611	8/13/2019 - GC2 - (40) N2 NW4, SW4 NW4, W2 SW4 10-26N-3W EST MPLM