

API NUMBER: 093 25297

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

Approval Date: 01/20/2023

Expiration Date: 07/20/2024

Multi Unit

Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 21 Township: 20N Range: 13W County: MAJOR

SPOT LOCATION: ☐ SE ☐ SW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 220 1830

Lease Name: CHURCHILL 20-13-21-16 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

MCCUE PROPERTIES, LLC  
P.O. BOX 60  
FAIRVIEW OK 73737

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

Name	Code	Depth
1 RED FORK	404RDFK	7665

Spacing Orders: 67846  
723421  
723777

Location Exception Orders: 723917  
723158

Increased Density Orders: 722987

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 15850

Ground Elevation: 1692

Surface Casing: 320

Depth to base of Treatable Water-Bearing FM: 260

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: 23-38810  
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? Y

Wellhead Protection Area? Y

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? Y

Wellhead Protection Area? Y

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.

**MULTI UNIT HOLE 1**

Section: 16	Township: 20N	Range: 13W	Meridian: IM	Total Length: 7850
	County: MAJOR			Measured Total Depth: 15850
Spot Location of End Point: N2	N2	NE	SE	True Vertical Depth: 7723
Feet From: <b>SOUTH</b>		1/4 Section Line: 2430		End Point Location from
Feet From: <b>EAST</b>		1/4 Section Line: 660		Lease, Unit, or Property Line: 660

**NOTES:**

Category	Description
EXCEPTION TO RULE - 723158	[1/20/2023 - G56] - (I.O.) 16 & 21-20N-13W X165:10-3-28(C)(2)(B) RDFK MAY BE CLOSER THAN 600' TO HARPER 1 (093-21512), STATE OF OKLA 3 (093-21044), HARPER 3-21 (093-21842), HARPER 2-21 (093-21572) WELLS NO OP NAMED 1/31/2022
HYDRAULIC FRACTURING	[1/19/2023 - GC2] - OCC 165:10-3-10 REQUIRES:  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;  2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: <a href="https://oklahoma.gov/occ/divisions/oil-gas/ogcd-forms">HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS</a> ; AND,  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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a>
INCREASED DENSITY - 722987	[1/20/2023 - G56] - 21-20N-13W X678846 1 WELL STAGHORN PETRO II, LLC 1/21/2022
INTERMEDIATE CASING	[1/19/2023 - 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 - 723917	[1/20/2023 - G56] - (I.O.) 16 & 21-20N-13W X723421 RDFK 16-20N-13W X67846 RDFK 21-20N-13W COMPL INT (16-20N-13W) NCT 2640' FNL, NCT 0' FSL, NCT 330' FEL COMPL INT (21-20N-13W) NCT 330' FSL, NCT 0' FNL, NCT 660' FWL STAGHORN PETRO II, LLC 3/3/2022
MEMO	[1/19/2023 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PUBLIC WATER SUPPLY	[1/19/2023 - GC2] - MAJOR COUNTY RWD 1 - 2 WELL NE/4 28-10N-13W
SPACING - 67846	[1/20/2023 - G56] - (640) 16 & 21-20N-13W MOD OTHER EST OTHERS EXT 35526 RDFK, OTHER (VAC BY SP # 113980 RDFKU)
SPACING - 723421	[1/20/2023 - G56] - (640)(HOR) 16-20N-13W EXT 720691 RDFK POE TO BHL NLT 660' FB (COEXIST WITH SP # 67846/113980/115705, # 113980 RDFK, # 113980, # 115705)
SPACING - 723777	[1/20/2023 - G56] - (I.O.) 16 & 21-20N-13W EST MULTIUNIT HORIZONTAL UNIT X723421 RDFK 16-20N-13W X67846 RDFK 21-20N-13W 33.33% 16-20N-13W 67.67% 21-20N-13W NO OP NAMED 2/25/2022
SURFACE CASING	[1/19/2023 - GC2] - NO DEEP SURFACE CASING ALLOWD DUE TO BEING INSIDE PUBLIC WATER SUPPLY BOUNDARIES

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093 25297 CHURCHILL 20-13-21-16 1H