

API NUMBER: 119 24457

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

Approval Date: 07/13/2022

Expiration Date: 01/13/2024

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 06 Township: 18N Range: 4E County: PAYNE

SPOT LOCATION: SE SE NE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 1470 250

Lease Name: RIPLEY Well No: 2 Well will be 250 feet from nearest unit or lease boundary.

Operator Name: ENCORE OPERATING INC Telephone: 4056308937 OTC/OCC Number: 24271 0

ENCORE OPERATING INC
3500 S BOULEVARD ST STE 10B
EDMOND, OK 73013-5417

DOUGLAS S SPIVA AND AMY J SPIVA
7624 W DEEPROCK
RIPLEY OK 74062

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

	Name	Code	Depth
1	PERU	404PERU	3300
2	RED FORK	404RDFK	3660
3	BARTLESVILLE	404BRVL	3750
4	SIMPSON	202SMPS	4100
5	WILCOX	202WLCX	4160

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 4260 Ground Elevation: 907

Surface Casing: 330

Depth to base of Treatable Water-Bearing FM: 280

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: 22-38418

H. (Other)

CLOSED SYSTEM=STEEL PITS (REQUIRED - BODY OF WATER)

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: OSCAR

DIRECTIONAL HOLE 1

Section: 5 Township: 18N Range: 4E Meridian: 1M
County: PAYNE

Measured Total Depth: 4260

Spot Location of End Point: C NW SW SW

True Vertical Depth: 4200

Feet From: SOUTH 1/4 Section Line: 990

End Point Location from
Lease, Unit, or Property Line: 330

Feet From: WEST 1/4 Section Line: 330

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>[7/8/2022 - 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>
SPACING	[7/12/2022 - G56] - FORMATIONS UNSPACED; 160-ACRE LEASE (SW4)
WATERSHED STRUCTURE	[7/13/2022 - G56] - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (405) 372-7201 PRIOR TO DRILLING