

API NUMBER: 137 27622

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

Approval Date: 03/26/2021
Expiration Date: 09/26/2022

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 17 Township: 3S Range: 4W County: STEPHENS

SPOT LOCATION: SW SW SW NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 165 283

Lease Name: GRACIE Well No: 3-17 Well will be 165 feet from nearest unit or lease boundary.
Operator Name: HMD OIL COMPANY INC Telephone: 5803194377 OTC/OCC Number: 22925 0

HMD OIL COMPANY INC
224-B N ROCKFORD RD
ARDMORE, OK 73401-2542

VERNON DUNN
HCR 64 BOX 2250
LOCO OK 73442

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

	Name	Code	Depth
1	PERMIAN	459PRMN	500
2	HOXBAR	405HXBR	1000
3	DEESE	404DEESS	1500
4	ARBUCKLE	169ABCK	2000

Spacing Orders: 586558
630864

Location Exception Orders: 714862

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 2499 Ground Elevation: 957

Surface Casing: 280

Depth to base of Treatable Water-Bearing FM: 220

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.

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: GARBER

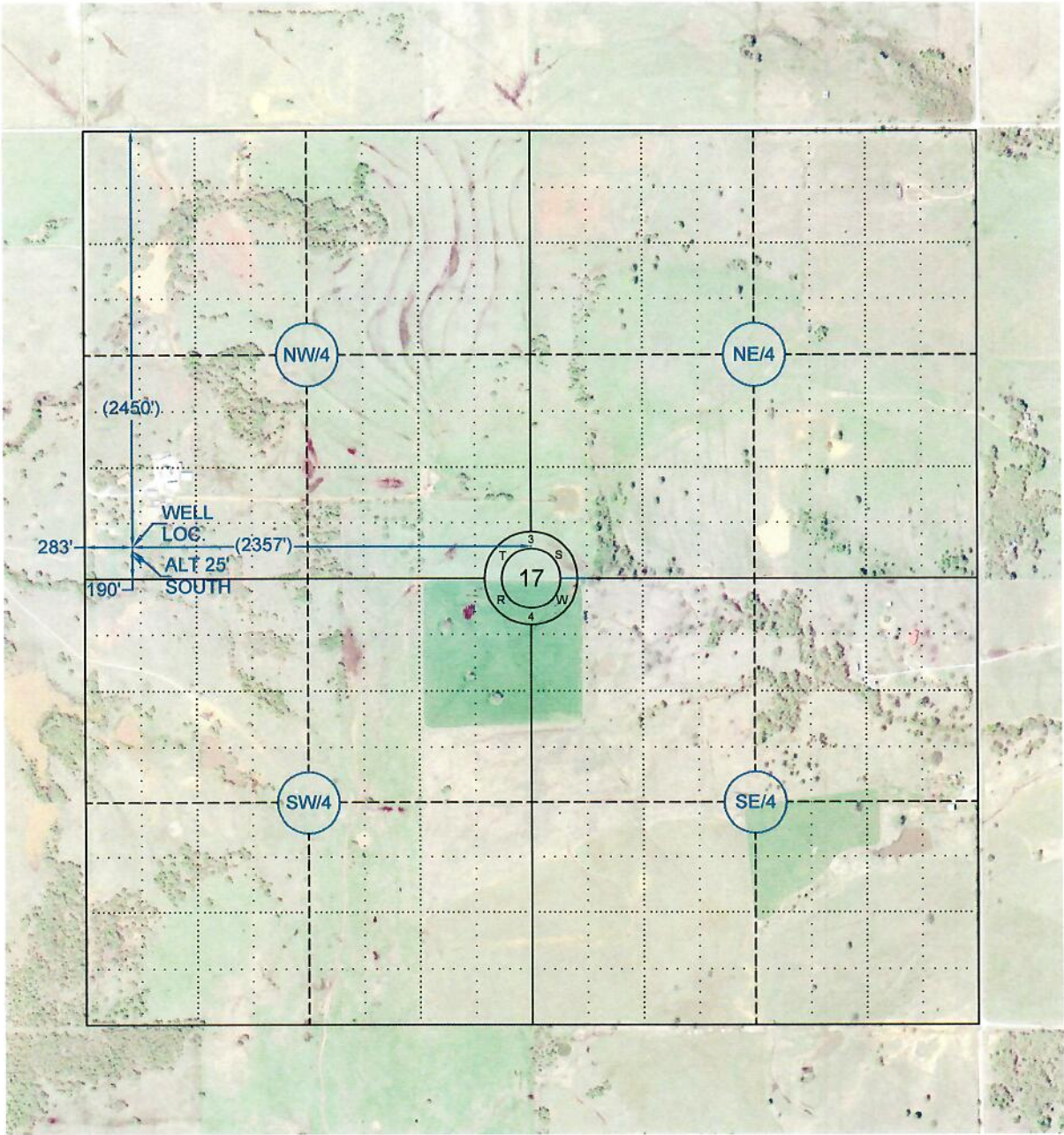
NOTES:

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>[3/23/2021 - 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: OCCWEB.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>
LOCATION EXCEPTION - 714862 (202001378)	<p>[3/26/2021 - GB1] - (F.O.) NW4 17-3S-4W X586558 PRMN, HXBR, ABCK X630864 DEESS SHL 165' FSL, 283' FWL OF NW4 17-3S-4W HMD OIL CO. INC 10/14/2020</p>
NAME	[3/26/2021 - GB1] - NAME CHANGE TO GRACIE 3-17 PER OPERATOR
SHL	[3/26/2021 - GB1] - SHL 165' FSL, 283' FWL ; ALTERNATE LOCATION ON PLAT
SPACING - 586558	<p>[3/26/2021 - GB1] - (160) W2 17-3S-4W EST PRMN EXT 349645 HXBR EXT 543697 ABCK</p>
SPACING - 630864	<p>[3/26/2021 - GB1] - (160) W2 17-3S-4W EXT 100885 DEESS</p>

SECTION PHOTO

Company Name: HMD OIL COMPANY Lease Name: Gracie 3-17
Section 17 Township 3 S Range 4 W , I.B.M, County of Stephens, State of Oklahoma

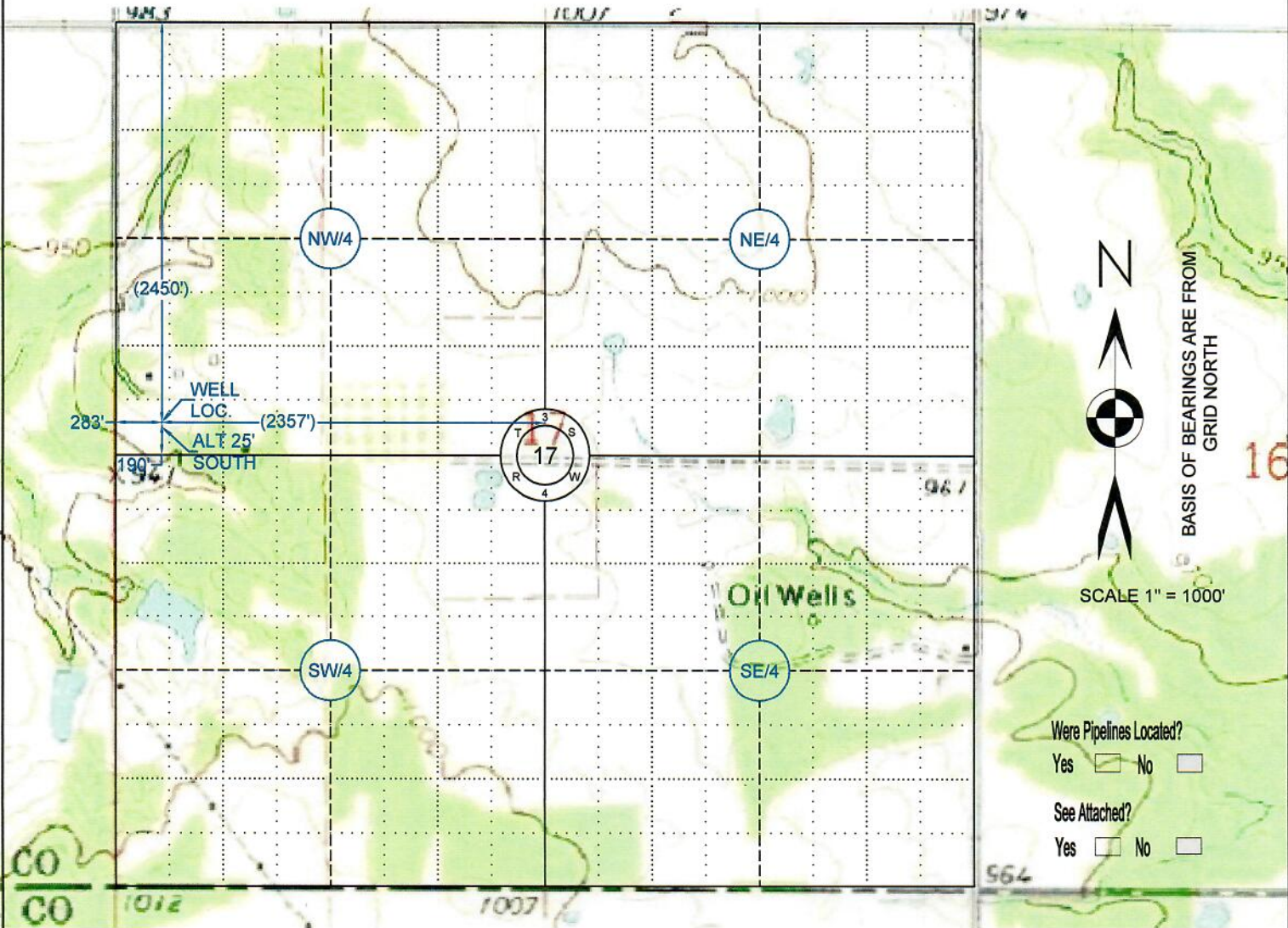


SCALE 1" = 1000'

SURVEYING AND MAPPING BY
Bennett-Morris And Associates
Land Surveying, P.C.
ARDMORE, OKLAHOMA

WELL LOCATION PLAT

Company Name: HMD OIL COMPANY Lease Name: Gracie 3-17
Section 17 Township 3 S Range 4 W , I.B.M., County of Stephens, State of Oklahoma
Elevation Good Location?
Original Location: 190'FSL - 283'FWL NW/4 959' GROUND YES
Alternate Location: 165'FSL - 283'FWL NW/4 957' GROUND YES
Topography: ORIGINAL FELL IN CATTLE PEN, 5' NORTH OF PIPE FENCE - PASTURE. SET ALTERNATE 25' SOUTH.
Best Accessibility to Location: From the West
Distance & Direction From Highway or Town: From Jct. of SH. 53 & SH. 89 South; Go West 1.0 mile on SH. 53; Then go South 0.5 miles on N3020 Road; Then go West 1.0 mile on E1870 Road to the NW Corner of Section 17, T3S, R4W.



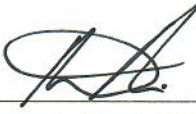
This location has been staked according to the best official survey records available to us, but its accuracy is not guaranteed. Please review this plat and notify us immediately of any discrepancy.

THE ELEVATION SURVEY DATA IS IN THE FOLLOWING FORMAT:
SEE NORTH ARROW FOR BASIS OF HORIZONTAL COORDINATES AND BEARING.
VERTICAL: NAVD88 / GEOID MODEL: GEOID12B
UNITS: US SURVEY FEET
(2) TWO ONLINE POSITIONING USER SERVICE (OPUS) SOLUTIONS ARE USED TO DERIVE ELEVATION.

The distances shown in parenthesis () are Calculated distances based on the Quarter Section being 2640' and have not been measured.

CERTIFICATE:

I Aaron L. Morris a Registered Land Surveyor In the State Of Oklahoma, do hereby certify that the above described Well Location was surveyed and staked on the ground as shown. R.P.L.S. # 1477

 09/04/2020
Aaron L. Morris R.P.L.S. No.1477
Phone (580) 226-5108
Fax (888) 662-7778
1010 Northwest Blvd.
Ardmore, OK 73401

FROM G.P.S.

Latitude: 34°17'48.946" Longitude: 97°38'57.248"

State Plane Coordinates:

Zone: _____
X: _____
Y: _____

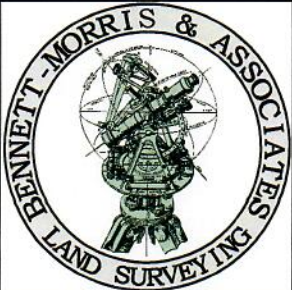
STEPHENS COUNTY, OKLAHOMA



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HMD OIL COMPANY
ARDMORE, OKLAHOMA

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Bennett-Morris And Associates
Land Surveying, P.C.
ARDMORE, OKLAHOMA



SCALE: 1in = 1000ft	SITE VISIT: (Number, Date and Explanation) 1. 08/28/2020 FIELD SURVEY
DATE: 09/01/2020	
DRAWING AND PROJECT NUMBER: 200059.DWG 030112.CRD FIELD BOOK: N/A	REVISIONS: (Number, Date and Explanation)
SHEET: 1 OF 1	