

API NUMBER: 117 23712

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

Approval Date: 09/06/2022
Expiration Date: 03/06/2024

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 06 Township: 20N Range: 7E County: PAWNEE

SPOT LOCATION: ☐ NW ☐ SW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 560 1520

Lease Name: CARNES Well No: 1-6V Well will be 560 feet from nearest unit or lease boundary.
Operator Name: CONCORDE RESOURCE CORPORATION Telephone: 9186899510 OTC/OCC Number: 17310 0

CONCORDE RESOURCE CORPORATION
PO BOX 841
EUFAULA, OK 74432-0841

DAVID CARNES
PO BOX 122
HALLETT OK 74034

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

| | Name | Code | Depth |
|---|------------------|----------|-------|
| 1 | PRUE | 404PRUE | 2625 |
| 2 | SKINNER | 404SKNR | 2735 |
| 3 | RED FORK | 404RDFK | 2810 |
| 4 | BARTLESVILLE | 404BRVL | 2915 |
| 5 | MISSISSIPPI CHAT | 401MSSCT | 3020 |

| | Name | Code | Depth |
|---|----------|---------|-------|
| 6 | WOODFORD | 319WDFD | 3100 |
| 7 | WILCOX | 202WLCX | 3300 |

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: 3500 Ground Elevation: 931 Surface Casing: 600 Depth to base of Treatable Water-Bearing FM: 550

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. (Other) 1A MIN. 20-MIL PIT LINER 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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is: BED AQUIFER

Pit Location Formation: ADA

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>[8/25/2022 - 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> |
| PUBLIC WATER SUPPLY | [8/25/2022 - GC2] - HALLETT MOTOR RACING CIRCUIT - 1 WELL SE/4 7-20N-7E |
| SPACING | [9/6/2022 - GB6] - PRUE, SKNR, RDFK, BRVL, MSSCT, WDFD, WLCX UNSPACED; 160-ACRE LEASE (SW4 6-20N-7E). |
| SURFACE CASING | [8/25/2022 - GC2] - NO DEEP SURFACE CASING DUE TO BEING INSIDE A PUBLIC WATER SUPPLY BOUNDARY |