

API NUMBER: 137 27662

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

Approval Date: 02/07/2022

Expiration Date: 08/07/2023

Straight Hole

Disposal

PERMIT TO DRILL

WELL LOCATION: Section: 32 Township: 1N Range: 4W County: STEPHENS

SPOT LOCATION: ☐ NW ☐ SE ☐ SW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 450 828

Lease Name: NORTH VELMA SWD

Well No: 1

Well will be 1988 feet from nearest unit or lease boundary.

Operator Name: AQUANYX MIDSTREAM LLC

Telephone: 4058313354

OTC/OCC Number: 24606 0

AQUANYX MIDSTREAM LLC
101 PARK AVE STE 665
OKLAHOMA CITY, OK 73102

KIRK BROWN
300444 E 1780 ROAD
DUNCAN OK 73533

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

| Name | Code | Depth |
|--------|---------|-------|
| 1 SIMS | 401SIMS | 7000 |

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: 7400

Ground Elevation: 1046

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 570

Deep surface casing has been approved

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 22-38088

H. (Other)

CLOSED SYSTEM=STEEL PITS PER OPERATOR
REQUEST

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 10000 Average: 2000

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: 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 |
|----------------------|---|
| DEEP SURFACE CASING | [2/2/2022 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING |
| HYDRAULIC FRACTURING | <p>[2/2/2022 - 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 | [2/7/2022 - GC2] - N/A DISPOSAL |

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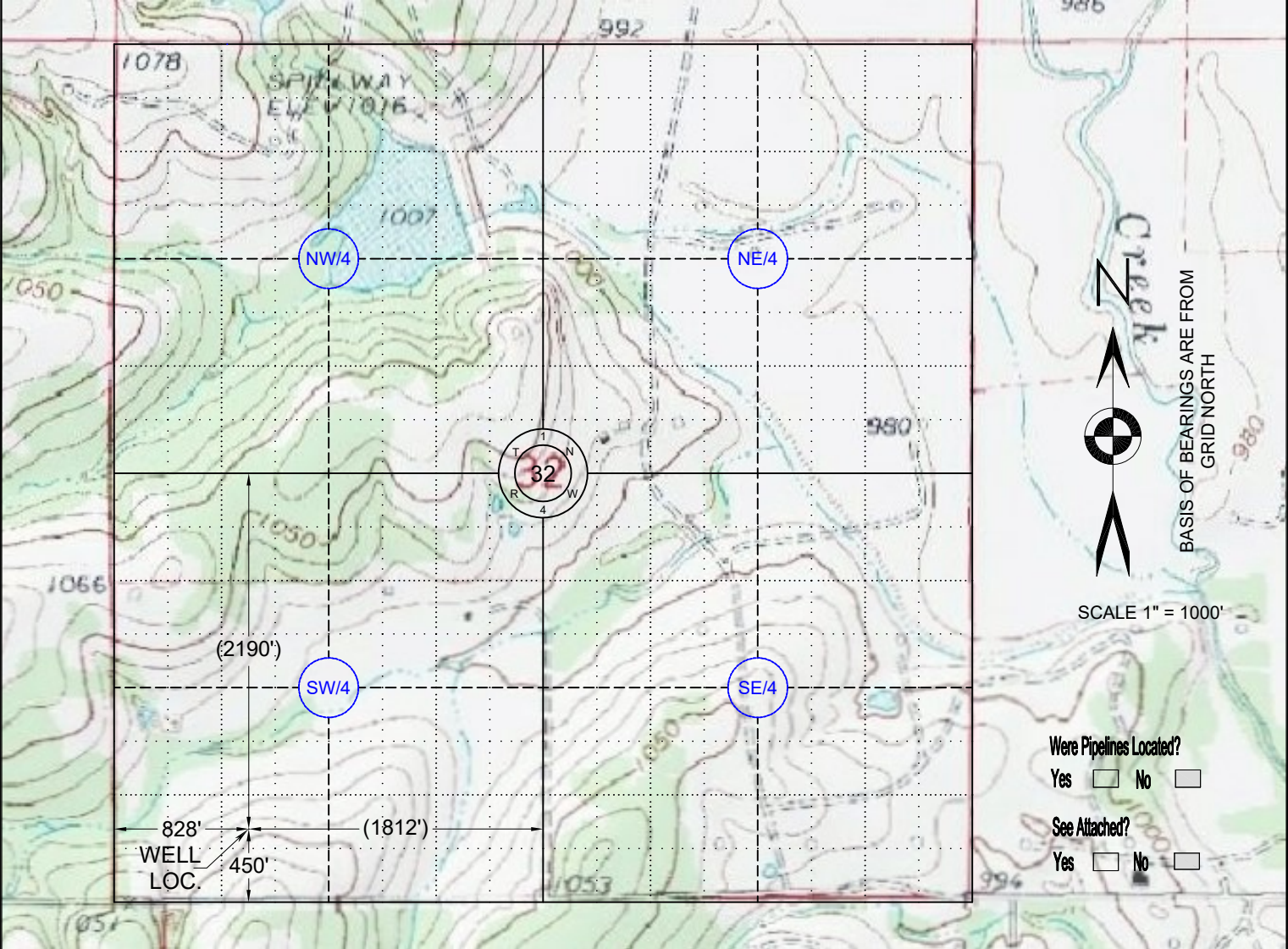
WELL LOCATION PLAT

Company Name: Aquanyx Midstream, LLC. Lease Name: North Velma SWD 1
Section 32 Township 1 N Range 4 W, I.B.M, County of Stephens, State of Oklahoma
Elevation 1046' Good Location? YES
Original Location: 450' FSL - 828' FWL SW/4

Topography: Bushy Pasture - Sloping to the North

Best Accessibility to Location: From the West

Distance & Direction From Highway or Town: From the Intersection of State Highway No. 76 and State Highway No. 7; Go North 4.0 miles on State Highway No. 76; Then go West 8.1 miles on E1730 Rd (Baseline Road) to the Southwest Corner of Section 32 T1N 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 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

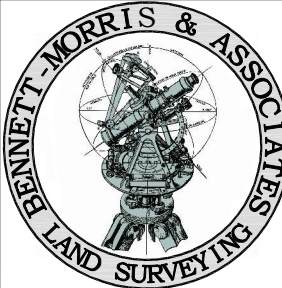
[Signature] 01/26/2022

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



FROM G.P.S.
Latitude: 34°30'30.00"N Longitude: 97°38'53.50"W
State Plane Coordinates:
Zone: _____
X: _____
Y: _____



| | | | | | |
|--|--|--|---|--|---|
| © COPYRIGHT 2019 Bennett-Morris And Associates Land Surveying, P.C. ~ C.A. No. 5975 (LS) | | | Aquanyx Midstream, LLC. <i>EDMOND, OKLAHOMA</i> | |  |
| SCALE: 1in = 1000ft | SITE VISIT: (Number, Date and Explanation) 1. 01/25/2022 FIELD SURVEY | | | | |
| DATE: 01/26/2022 | | | Bennett-Morris And Associates Land Surveying, P.C. <i>ARDMORE, OKLAHOMA</i> | | |
| DRAWING AND PROJECT NUMBER: | REVISIONS: (Number, Date and Explanation) | | | | |
| 224017.DWG | | | | | |
| 210047.CRD | | | | | |
| FIELD BOOK: | | | | | |
| N/A | | | | | |
| SHEET: 1 OF 1 | | | | | |