

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

API NUMBER: 087 22265 A

Approval Date: 08/16/2019
Expiration Date: 02/16/2021

Straight Hole Oil & Gas

Amend reason: UPDATE FORMATIONS

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 5N Rge: 3W County: MCCLAIN
SPOT LOCATION: NE SW NW SW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 671 352

Lease Name: ATLAS Well No: 35-5N-3W Well will be 352 feet from nearest unit or lease boundary.
Operator Name: DAYLIGHT PETROLEUM LLC Telephone: 8002235609 OTC/OCC Number: 24225 0

DAYLIGHT PETROLEUM LLC
PO BOX 52070
HOUSTON, TX 77052

FRED & MARGARET MILLER
20627 100TH ST.
MAYSVILLE OK 73057

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

Name	Depth	Name	Depth
1 HUNTON	7040	6 MCLISH	8850
2 VIOLA	7240	7	
3 1ST BROMIDE	8330	8	
4 2ND BROMIDE	8540	9	
5 TULIP CREEK	8660	10	

Spacing Orders: 700628 Location Exception Orders: Increased Density Orders:
702532
Pending CD Numbers: 201902287 Special Orders:

Total Depth: 9600 Ground Elevation: 957 **Surface Casing: 550** Depth to base of Treatable Water-Bearing FM: 300

Deep surface casing has been approved

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

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 3500 Average: 500

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-36836
H. CLOSED SYSTEM=STEEL PITS (REQUIRED - CRINER CREEK)

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	8/16/2019 - G56 - 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	7/30/2019 - G71 - OCC 165:10-3-10 REQUIRES: 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE; 2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCWEB.COM/OG/OGFORMS.HTML ; AND, 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG
PENDING CD - 201902287	1/13/2020 - G56 - (I.O.) SW4 35-5N-3W X201903487 HNTN, VIOL, BRMD1, BRMD2, TPCK, MCLS*** COMPL INT NCT 671 FNL, NCT 352 FWL NO OP NAMED REC 7/22/2019 (M. PORTER) ***S/B X702532 BRMD1, BRMD2, TPCK, MCLS; X700628 HNTN, VIOL; WILL BE CORRECTED AT FINAL HEARING PER ATTORNEY FOR OPERATOR
SPACING - 700628	1/13/2020 - G56 - (160) SW4 35-5N-3W EXT 414780 HNTN, VIOL
SPACING - 702532	1/13/2020 - G56 - (160) SW4 35-5N-3W VAC 23090/26757 SPLOC EXT 414780 BRMD1, BRMD2, TPCK, MCLS

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.

087 22265 ATLAS 35-5N-3W