API NUMBER: 139 24181 A

Straight Hole Oil & Gas

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

Approval Date: 04/18/2019
Expiration Date: 10/18/2020

PERMIT TO RECOMPLETE

WELL LOCATION: Sec: 15 Twp: 2N Rge: 14ECM County: TEXAS

SPOT LOCATION: C SE NW SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **1650** **990**

**Lease Name: LOHMANN B** **Well No: 2** **Well will be 990 feet from nearest unit or lease boundary.**

**Operator Name:** **MERIT ENERGY COMPANY** Telephone: 9726281569 OTC/OCC Number: 18934 0

MERIT ENERGY COMPANY
13727 NOEL RD STE 1200
DALLAS, TX 75240-7312

LIESE FAMILY LLC
RT 3 BX 176A
C/O DOUG LIESE
GUYMON OK 73942

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

| | Name | Depth | | Name | Depth |
|---|---|---|---|---|---|
| 1 | CHEROKEE | 5730 | 6 | | |
| 2 | | | 7 | | |
| 3 | | | 8 | | |
| 4 | | | 9 | | |
| 5 | | | 10 | | |

Spacing Orders: No Spacing Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders: 84318

Total Depth: 6873 Ground Elevation: 3184 **Surface Casing: 1734** **IP** Depth to base of Treatable Water-Bearing FM: 480

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

Approved Method for disposal of Drilling Fluids:

Notes:

| Category | Description |
|---|---|
| HYDRAULIC FRACTURING | 4/16/2019 - G71 - OCC 165:10-3-10 REQUIRES:<br><br>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;<br><br>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: OCCEWEB.COM/OG/OGFORMS.HTML; AND,<br><br>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 |

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX 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 |
| --- | --- |
| SPACING | 4/18/2019 - G56 - FORMATION UNSPACED; 160 ACRE LEASE (SW4) |

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX 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.