API NUMBER: 131 25452

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

Approval Date: 06/10/2022
Expiration Date: 12/10/2023

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 07 Township: 22N Range: 15E County: ROGERS

SPOT LOCATION: SE SE SE NE FEET FROM QUARTER: FROM **NORTH** FROM **EAST**
SECTION LINES: **2507** **165**

Lease Name: **GUNPOWDER** **Well No:** **1** **Well will be** **165** **feet from nearest unit or lease boundary.**

Operator Name: **GUNPOWDER ENERGY LLC** Telephone: 9183716514 OTC/OCC Number: 24722 0

GUNPOWDER ENERGY LLC
14440 S 4080 RD
OOLAGAH, OK 74053

BYRON DYKES
14440 S 4080 ROAD
OOLOGAH OK 74053

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

	Name	Code	Depth
1	BURGESS	404BRGS	1125

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: 1200 Ground Elevation: 687 **Surface Casing: 180** Depth to base of Treatable Water-Bearing FM: 50

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: AIR

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 not** located in a Hydrologically Sensitive Area.

Category of Pit: 4
Liner not required for Category: 4
Pit Location is: NON HSA
Pit Location Formation: SEMINOLE

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	[4/28/2022 - GC2] - OCC 165:10-3-10 REQUIRES: 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; 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, 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
SPACING	[6/10/2022 - G56] - BRGS UNSPACED; 100-ACRE LEASE (SE4 NE4, NE4 SE4, N2 SE4 SE4)

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