

API NUMBER: 051 24960

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

Approval Date: 09/13/2022
Expiration Date: 03/13/2024

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 16 Township: 3N Range: 7W County: GRADY

SPOT LOCATION: ☐ SE ☐ NW ☐ SW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 1850 2304

Lease Name: JAMES Well No: 2-16 Well will be 336 feet from nearest unit or lease boundary.
Operator Name: SUNDOWN ENERGY LP Telephone: 2143686100 OTC/OCC Number: 21689 0

SUNDOWN ENERGY LP
16400 DALLAS PKWY STE 100
DALLAS, TX 75248-2640

RANDALL AND DEBORAH JAMES
P.O. BOX 185
ALEX OK 73002

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

	Name	Code	Depth
1	FORTUNA	451FRTN	1900
2	NOBLE-OLSON	451NBLO	3100

Spacing Orders: 711157

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: 3770

Ground Elevation: 1333

Surface Casing: 1060

Depth to base of Treatable Water-Bearing FM: 1010

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 22-38534
H. (Other) 1B MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT
PRIOR TO TESTING SOIL PIT LINER

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? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1B

Liner required for Category: 1B

Pit Location is: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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>[8/31/2022 - 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 - 711157	<p>[9/13/2022 - G56] - (40) NE4, S2 16-3N-7W EXT 631681 FRTN, NBLO</p>