

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

API NUMBER: 043 23686

Approval Date: 01/25/2019

Expiration Date: 07/25/2020

Horizontal Hole
Multi Unit
Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 18N Rge: 14W County: DEWEY
SPOT LOCATION: W2 SW SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 330 1485

Lease Name: NEWLEY Well No: 15-22-1XH Well will be 330 feet from nearest unit or lease boundary.
Operator DERBY EXPLORATION LLC Telephone: 4056393786 OTC/OCC Number: 24143 0
Name:

DERBY EXPLORATION LLC
PO BOX 779
OKLAHOMA CITY, OK 73101-0779

H4 HOLDINGS, LLC
237809 STATE HWY 51
CANTON OK 73724

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	10404	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 687876
685493

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201900298
201900302

Special Orders:

Total Depth: 20698 Ground Elevation: 1880 Surface Casing: 500 Depth to base of Treatable Water-Bearing FM: 260

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

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-36099
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 15 Twp 18N Rge 14W County DEWEY

Spot Location of End Point: N2 N2 NE NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 9916

Radius of Turn: 583

Direction: 3

Total Length: 9866

Measured Total Depth: 20698

True Vertical Depth: 10404

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

HYDRAULIC FRACTURING

1/21/2019 - 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: OCCEWEB.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

INTERMEDIATE CASING

1/21/2019 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

PENDING CD - 201900298

1/25/2019 - G58 - (E.O.) 15 & 22-18N-14W
EST MULTIUNIT HORIZONTAL WELL
X685493 MSSP, OTHER
X687876 MSSP, OTHER
50% 22-18N-14W
50% 15-18N-14W
NO OP. NAMED
REC 1/18/2019 (JACKSON)

PENDING CD - 201900302

1/25/2019 - G58 - (E.O.) 15 & 22-18N-14W
X685493 MSSP, OTHER
X687876 MSSP, OTHER
COMPL. INT. 22-18N-14W NCT 165' FSL, NCT 0' FNL, NCT 660' FWL
COMPL. INT. 15-18N-14W NCT 0' FSL, NCT 165' FNL, NCT 660' FWL
NO OP. NAMED
REC 1/18/2019 (JACKSON)

SPACING - 685493

1/25/2019 - G58 - (640)(HOR) 22-18N-14W
VAC 93130 CSTR
VAC 296906 MSSLM, OTHERS
EST MSSP, OTHERS
COMPL. INT. NLT 660' FB

SPACING - 687876

1/25/2019 - G58 - (640)(HOR) 15-18N-14W
EXT 668903 MSSP, OTHERS
COMPL. INT. NLT 660' FB

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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.

043 23686 NEWLEY 15-22-1XH



DERBY

Well Location Plat

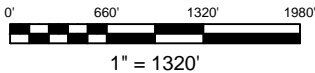
S.H.L. Sec. 22-18N-14W I.M.
B.H.L. Sec. 15-18N-14W I.M.

Operator: DERBY EXPLORATION, LLC
Lease Name and No.: NEWLEY 15-22-1XH
Footage: 330' FSL - 1485' FWL Gr. Elevation: 1880'
Section: 22 Township: 18N Range: 14W I.M.
County: Dewey State of Oklahoma
Terrain at Loc.: Location fell in sandy terrain with timber.

043-23686



All bearings shown
are grid bearings.



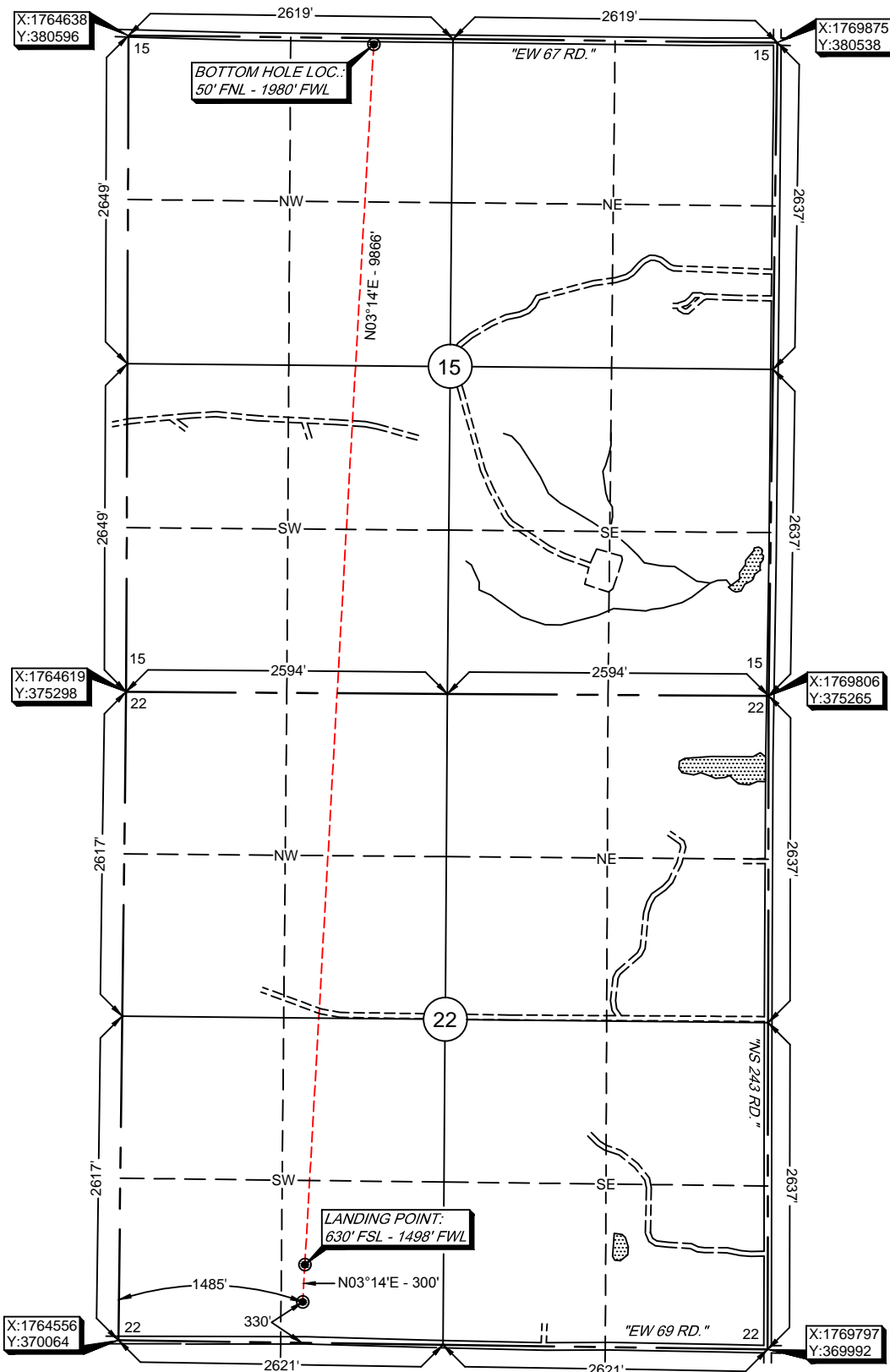
GPS DATUM
NAD 83
OK NORTH ZONE

Surface Hole Loc.:
Lat: 36°00'55.81"N
Lon: 98°41'04.49"W
Lat: 36.01550178
Lon: -98.68457972
X: 1766045
Y: 370374

Landing Point:
Lat: 36°00'58.77"N
Lon: 98°41'04.31"W
Lat: 36.01632493
Lon: -98.68452972
X: 1766062
Y: 370673

Bottom Hole Loc.:
Lat: 36°02'36.22"N
Lon: 98°40'58.38"W
Lat: 36.04339538
Lon: -98.68288450
X: 1766617
Y: 380524

-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true boundary survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.



Survey and plat by:

Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2020

Invoice #8392-A-B

Date Staked: 12/21/18 By: R.L.
Date Drawn: 12/26/18 By: J.H.

Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

LANCE G. MATHIS

01/24/19

OK LPLS 1664

