

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

API NUMBER: 043 23687

Approval Date: 01/25/2019

Expiration Date: 07/25/2020

Horizontal Hole  
Oil & Gas  
Multi Unit

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 18N Rge: 14W County: DEWEY  
SPOT LOCATION:     FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 330 1435

Lease Name: HUTCHISON Well No: 27-34-1XH 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

4H HOLDINGS, LLC  
237809 STATE HWY 51  
CANTON OK 73724

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	9839	6	
2	WOODFORD	11124	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201900303  
201900304  
201900306  
201900305

Special Orders:

Total Depth: 19502 Ground Elevation: 1884 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: 19-36098  
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 34 Twp 18N Rge 14W County DEWEY

Spot Location of End Point: S2 S2 SE SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 8529

Radius of Turn: 477

Direction: 170

Total Length: 10224

Measured Total Depth: 19502

True Vertical Depth: 12000

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](http://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](http://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 - 201900303

1/25/2019 - G58 - (E.O.)(640)(HOR) 27-18N-14W  
VAC OTHER  
VAC 296906 WDFD, MSSLM  
EXT 687003 WDFD, MSSP  
COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL  
COMPL. INT. (MSSP) NLT 660' FB  
REC 1/18/2019 (JACKSON)

PENDING CD - 201900304

1/25/2019 - G58 - (E.O.)(640)(HOR) 34-18N-14W  
VAC 93130 CSTR  
VAC 296906 WDFD, MSSLM  
EXT 687003 WDFD, MSSP  
COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL  
COMPL. INT. (MSSP) NLT 660' FB  
REC 1/18/2019 (JACKSON)

PENDING CD - 201900305

1/25/2019 - G58 - (E.O.) 27 & 34-18N-14W  
EST MULTIUNIT HORIZONTAL WELL  
X201900303 WDFD, MSSP  
X201900304 WDFD, MSSP  
(WDFD IS ADJACENT CSS TO MSSP)  
50% 27-18N-14W  
50% 34-18N-14W  
NO OP. NAMED  
REC 1/18/2019 (JACKSON)

This permit does not address the right of entry or settlement of surface damages.

043 23687 HUTCHISON 27-34-1XH

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
PENDING CD - 201900306	1/25/2019 - G58 - (E.O.) 27 & 34-18N-14W X201900303 WDFD, MSSP X201900304 WDFD, MSSP SHL 330' FSL, 1435' FWL OF 22-18N-14W COMPL. INT. 27-18N-14W NCT 165' FNL, NCT 0' FSL, NCT 660' FWL COMPL. INT. 34-18N-14W NCT 0' FNL, NCT 165' FNL, NCT 660' FWL NO OP. NAMED REC 1/18/2019 (JACKSON)



DERBY

# Well Location Plat

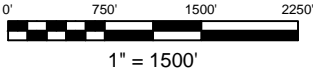
S.H.L. Sec. 22-18N-14W I.M.  
B.H.L. Sec. 34-18N-14W I.M.

Operator: DERBY EXPLORATION, LLC  
Lease Name and No.: HUTCHISON 27-34-1XH  
Footage: 330' FSL - 1435' FWL Gr. Elevation: 1884'  
Section: 22 Township: 18N Range: 14W I.M.  
County: Dewey State of Oklahoma  
Terrain at Loc.: Location fell in sandy terrain with timber.

043-23687



All bearings shown  
are grid bearings.



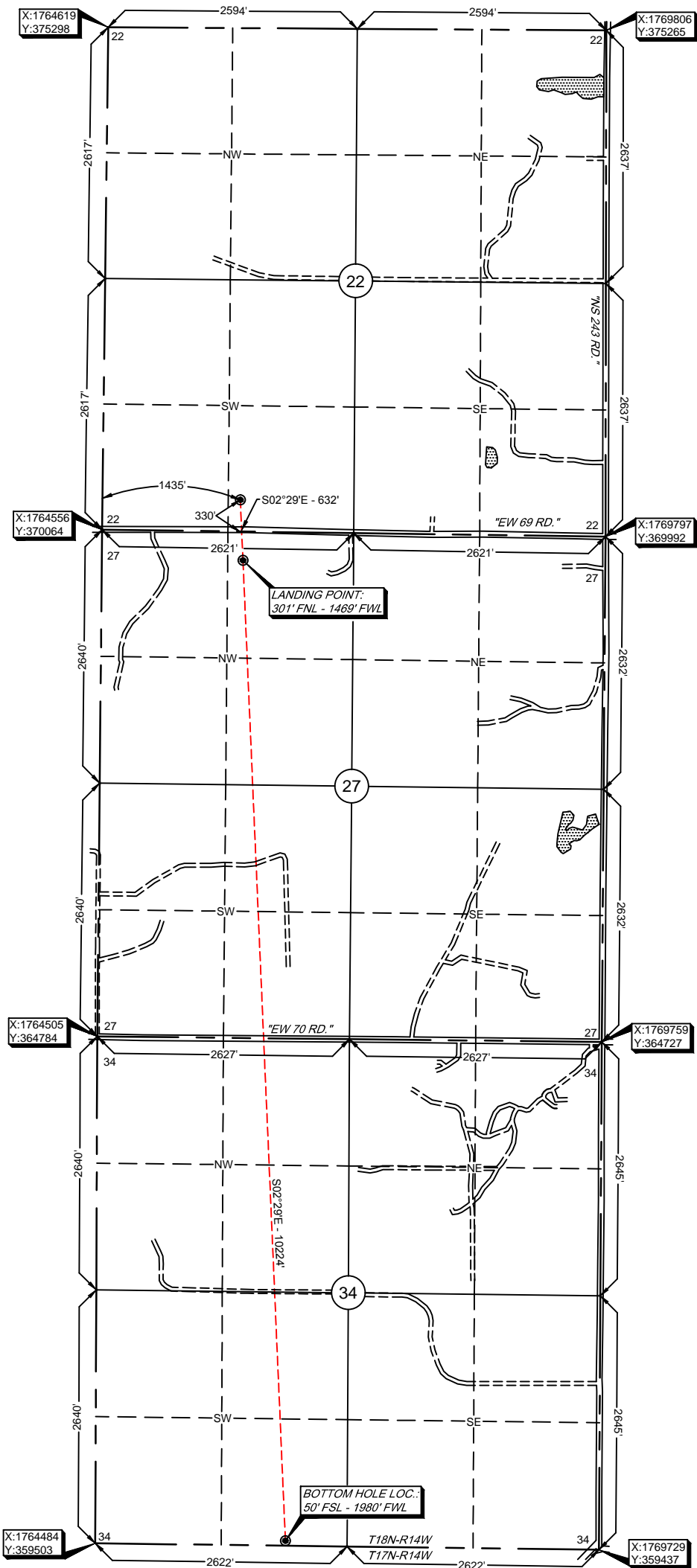
GPS DATUM  
NAD 83  
OK NORTH ZONE

Surface Hole Loc.:  
Lat: 36°00'55.81"N  
Lon: 98°41'05.10"W  
Lat: 36.01550272  
Lon: -98.68474879  
X: 1765995  
Y: 370374

Landing Point:  
Lat: 36°00'49.56"N  
Lon: 98°41'04.71"W  
Lat: 36.01376762  
Lon: -98.68464131  
X: 1766022  
Y: 369743

Bottom Hole Loc.:  
Lat: 35°59'08.58"N  
Lon: 98°40'58.46"W  
Lat: 35.98571769  
Lon: -98.68290460  
X: 1766464  
Y: 359528

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 herein 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-A  
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

