API NUMBER: 043 23771

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

Approval Date: 12/21/2022
Expiration Date: 06/21/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 33 Township: 18N Range: 18W County: DEWEY

SPOT LOCATION: NW NW NE NW FEET FROM QUARTER: FROM **NORTH** FROM **WEST**
SECTION LINES: **200** **1350**

Lease Name: **TERRY R NICHOLS** **Well No:** **1-28H** **Well will be** **200** **feet from nearest unit or lease boundary.**

Operator Name: **DUNCAN OIL PROPERTIES INC** Telephone: 4052721800 OTC/OCC Number: 15876 0

DUNCAN OIL PROPERTIES INC
100 PARK AVE STE 1200
OKLAHOMA CITY, OK 73102-8023

DONETA FAYE NICHOLS, SUCCESSOR TRUSTEE OF THE TERRY R. NICHOLS REVOCABLE TRUST DATED APRIL 26, 2005
126 FAIRWAY DRIVE
ELK CITY OK 73644

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

	Name	Code	Depth
1	CLEVELAND	405CLVD	8859

Spacing Orders: 728955 Location Exception Orders: 729181 Increased Density Orders: No Density

Pending CD Numbers: No Pending Working interest owners' notified: *** Special Orders: No Special

Total Depth: 14200 Ground Elevation: 2029 **Surface Casing: 1520** Depth to base of Treatable Water-Bearing FM: 300

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 22-38773
H. (Other) SEE MEMO

PIT 1 INFORMATION

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: BED AQUIFER
Pit Location Formation: CLOUD CHIEF

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: BED AQUIFER
Pit Location Formation: CLOUD CHIEF

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.

HORIZONTAL HOLE 1

Section: 28	Township: 18N	Range: 18W	Meridian: IM
County: DEWEY			
Spot Location of End Point: NE NE NW NW			
Feet From: **NORTH**	1/4 Section Line: 165		
Feet From: **WEST**	1/4 Section Line: 1100		

Total Length:	4816
Measured Total Depth:	14200
True Vertical Depth:	9000
End Point Location from Lease,Unit, or Property Line:	165

NOTES:

Category	Description
DEEP SURFACE CASING	[12/20/2022 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING.
HYDRAULIC FRACTURING	[12/20/2022 - 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 FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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
LOCATION EXCEPTION - 729181 (CD2022-003073)	[12/21/2022 - GB7] - (I.O.) 28-18N-18W X728955 CLVD COMPL. INT. NCT 165' FNL, NCT165' FSL, NCT 1100' FWL DUNCAN OIL PROPERTIES INC 10/14/2022
MEMO	[12/20/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 728955	[12/21/2022 - GB7] - (640)(HOR) 28-18N-18W VAC 160326 CLVD EXT 624346 CLVD COMPL. INT. NLT 660' FB

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