

API NUMBER: 137 03595 A

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

Approval Date: 10/22/2021
Expiration Date: 04/22/2023

Straight Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Section: 19 Township: 1S Range: 5W County: STEPHENS

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 2318 1000

Lease Name: SLEDGE Well No: B3 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: HARMON C E OIL INC Telephone: 9186638515 OTC/OCC Number: 10266 0

HARMON C E OIL INC
5555 E 71ST ST STE 9300
TULSA, OK 74136-6559

WALLING ENERGY RESOURCES
P. O. BOX 1505
STE 9300
DUNCAN OK 73534

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

Name	Code	Depth
1 DEESE	404DEESS	3000

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: 4600 Ground Elevation: 1126 Surface Casing: 324 IP Depth to base of Treatable Water-Bearing FM: 400

Alternate Casing Program Deep surface casing has been approved

Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.

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

Approved Method for disposal of Drilling Fluids:

E. Haul to Commercial pit facility	Sec. 16 Twn. 5N Rng. 2W Cnty. 87 Order No: 589782
H. (Other)	CBL REQUIRED

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

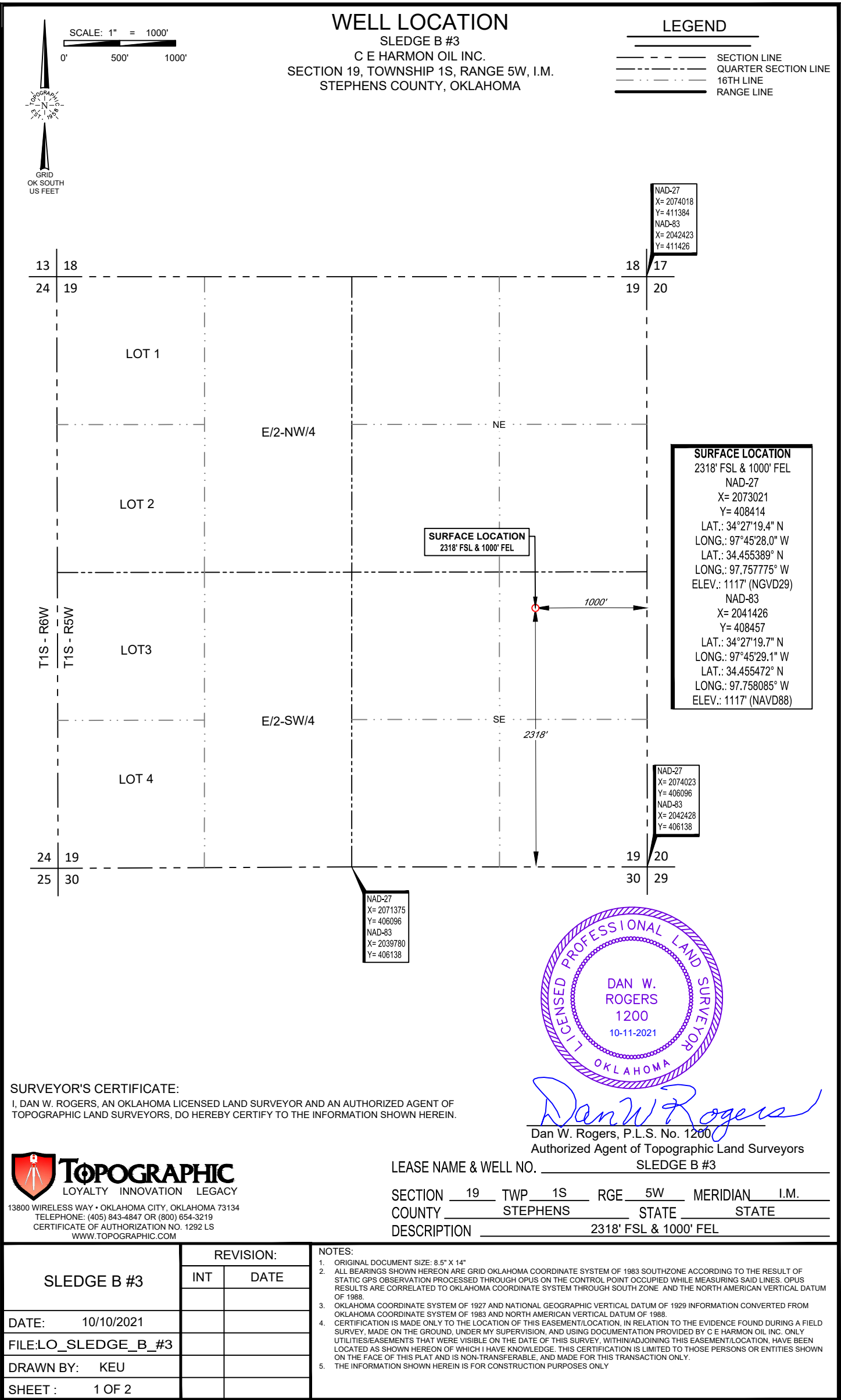
Pit Location is: BED AQUIFER

Pit Location Formation: PURCELL

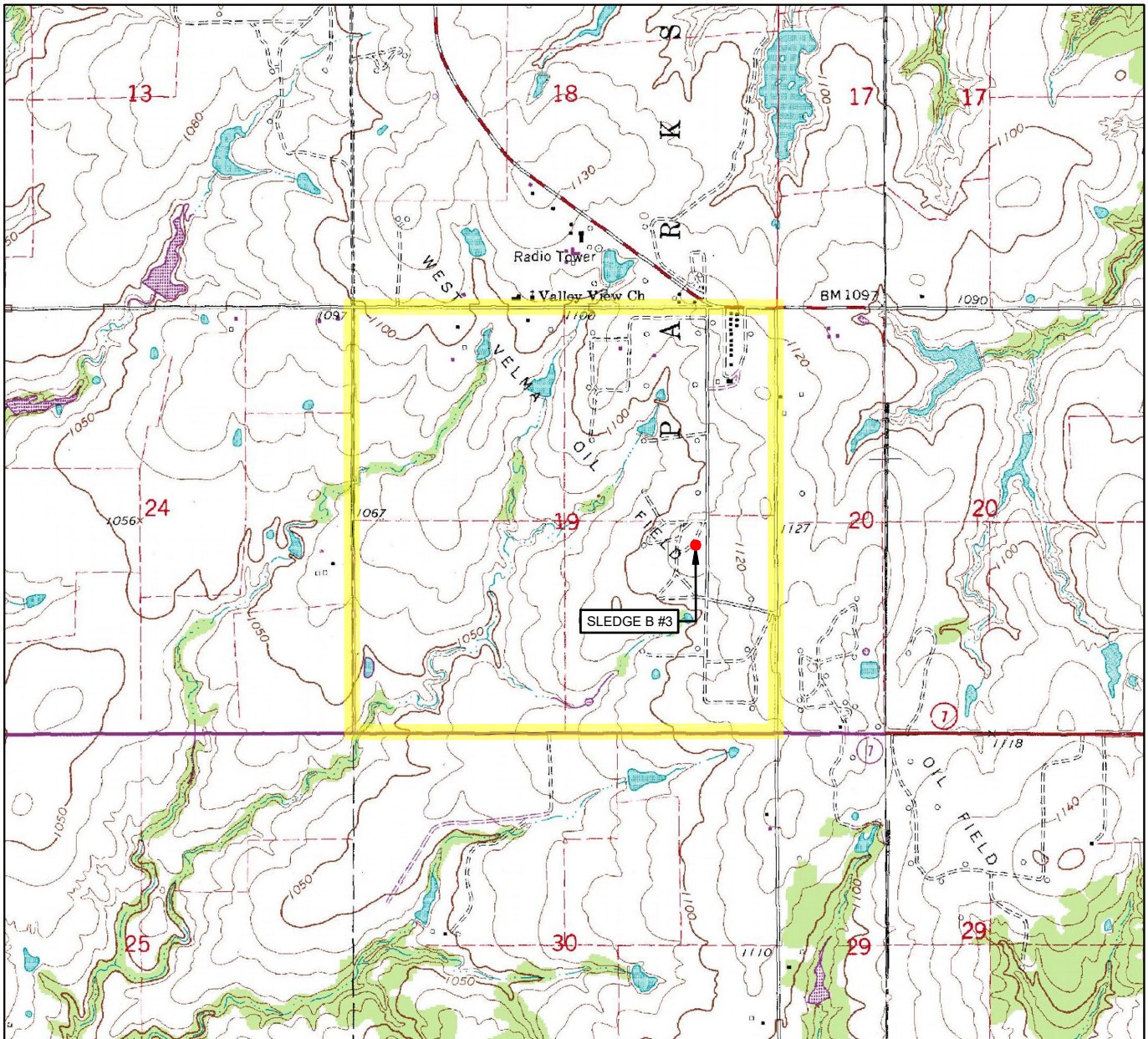
NOTES:

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
ALTERNATE CASING	<p>[10/21/2021 - G56] - APPROVED; (1) 7 5/8" CASING WILL BE PERFORATED AT 500' AND SQUEEZED TO PROTECT BTW AT 400'</p> <p>(2) 5 1/2" WILL BE SET AND CEMENTED FROM TD TO SURFACE</p> <p>(3) COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)</p>
HYDRAULIC FRACTURING	<p>[10/20/2021 - 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	<p>[10/21/2021 - G56] - DEESS UNSPACED; 160-ACRE LEASE (NE4 SE4, E2 NW4 SE4, NE4 SW4 SE4, N2 SE4 SE4, SE4 SE4 SE4, E2 E2 NE4, SW4 NE4 NE4, NW4 SE4 NE4)</p>



LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO. SLEDGE B #3

SECTION 19 TWP 1S RGE 5W MERIDIAN 1M.

COUNTY STEPHENS STATE STATE

DESCRIPTION 2318' FSL & 1000' FEL

ELEV.: 1117' (NGVD29)

ELEV.: 1117' (NAVD88)



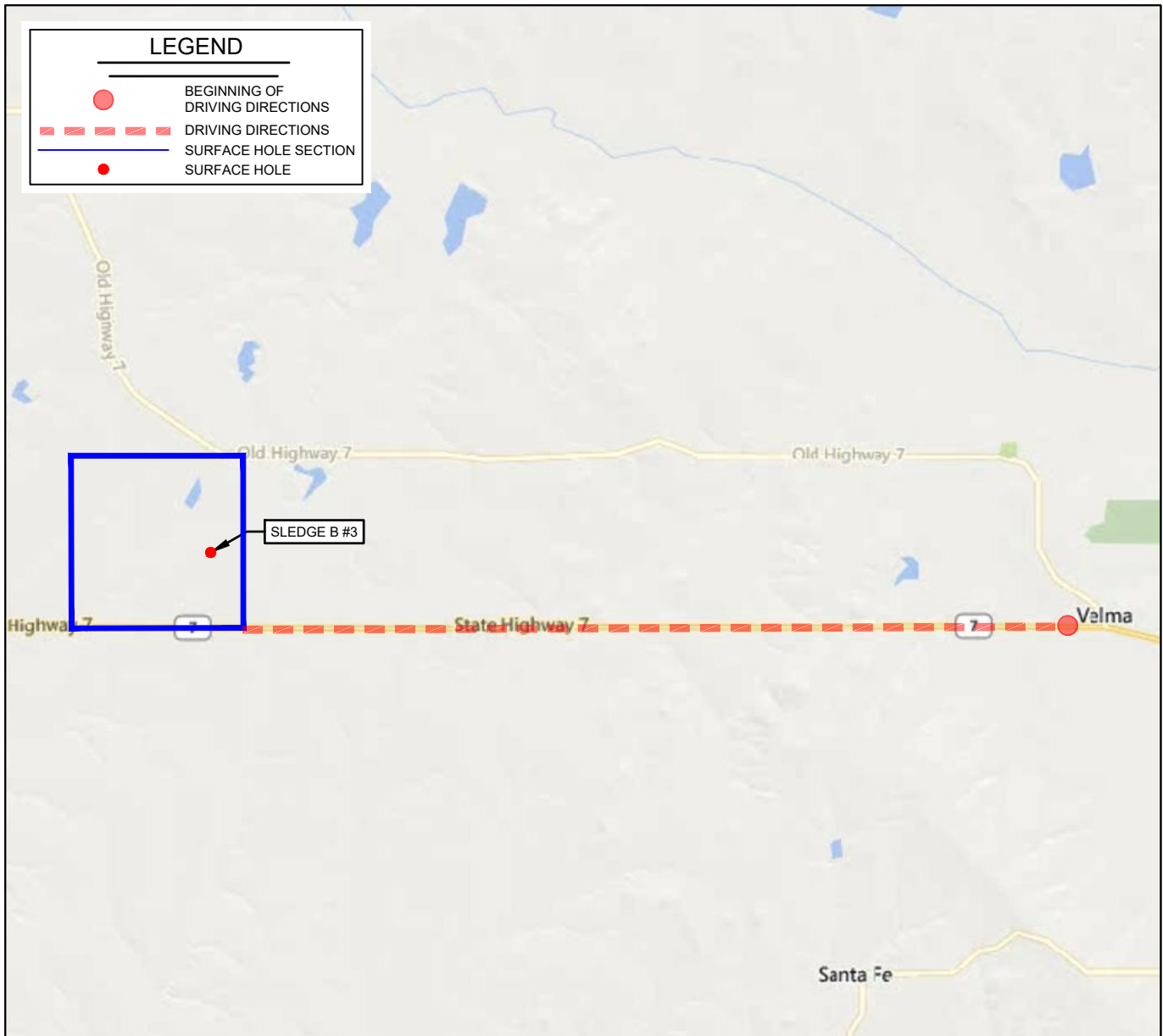
SCALE: 1" = 2000'
0' 1000' 2000'

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY C E HARMON OIL INC.. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE OKLAHOMA STATE PLANE COORDINATE SYSTEM, SOUTH ZONE OF THE NORTH AMERICAN DATUM, U.S. SURVEY FEET.

TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134
TELEPHONE: (405) 843-4847 OR (800) 654-3219
CERTIFICATE OF AUTHORIZATION NO. 1292 LS
WWW.TOPOGRAPHIC.COM

VICINITY MAP



LEASE NAME & WELL NO. _____ SLEDGE B #3

SECTION 19 TWP 1S RGE 5W MERIDIAN I.M.

COUNTY STEPHENS STATE STATE

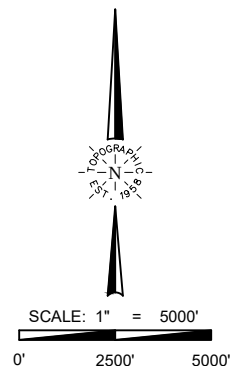
DESCRIPTION 2318' FSL & 1000' FEL

DISTANCE & DIRECTION

FROM THE JCT OF N2990 RD AND HWY 7 AT VELMA, OK, GO WEST
ON HWY 7 FOR +/- 5.0 MILES TO APPROXIMATE SE CORNER OF
SECTION 19 T1S R5W.

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