

API NUMBER: 071 24932

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

Approval Date: 07/21/2022

Expiration Date: 01/21/2024

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 35 Township: 28N Range: 3E County: KAY

SPOT LOCATION: ☐ NE ☐ SW ☐ NW ☐ SE FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 934 600

Lease Name: SHALOM Well No: 2 Well will be 600 feet from nearest unit or lease boundary.

Operator Name: CANOK INTERNATIONAL INC Telephone: 9182674243 OTC/OCC Number: 16202 0

CANOK INTERNATIONAL INC

BEGGS, OK 74421-0038

KAY L BARCLAY

7250 E CANTEEN ROAD

NEWKIRK OK 74647

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

Name	Code	Depth	Name	Code	Depth
1 ELGIN	406ELGN	1620	6 BIG LIME	404BGLM	2752
2 TONKAWA	406TNKW	1800	7 OSWEGO	404OSWG	2800
3 PERRY	405PRRY	1976	8 MISSISSIPPI CHAT	401MSSCT	3124
4 OSAGE LAYTON /MISSOURIAN/	405OSGL	2280	9 MISSISSIPPI LIME	351MSSLM	3140
5 CLEVELAND	405CLVD	2665	10 WILCOX	202WLCX	3400

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: 3550

Ground Elevation: 1219

Surface Casing: 275

Depth to base of Treatable Water-Bearing FM: 140

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: 22-38442

H. (Other)

CLOSED SYSTEM=STEEL PITS (REQUIRED - KAW LAKE)

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: OSCAR

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>[7/19/2022 - 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	[7/21/2022 - GC2] - FORMATIONS UNSPACED, 160-ACRE LEASE SE4