

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

API NUMBER: 141 20530

Approval Date: 06/18/2021  
Expiration Date: 12/18/2022

Straight Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 01 Township: 3S Range: 18W County: TILLMAN

SPOT LOCATION: ☐ SE ☐ SW ☐ NW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 1609 2301

Lease Name: 1ST STREET FARM Well No: 1 Well will be 330 feet from nearest unit or lease boundary.  
Operator Name: AC OPERATING COMPANY LLC Telephone: 7138819030 OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC  
952 ECHO LN STE 390  
HOUSTON, TX 77024-2851

NICHOLS FARMS INC  
PO BOX 1096  
OKLAHOMA CITY OK 73101

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

Name	Code	Depth	Name	Code	Depth
1 CANYON	405CNYN	3010	6 VIOLA	202VIOL	4980
2 STRAWN	404STRN	3930	7 SIMPSON	202SMPS	5070
3 MISSISSIPPIAN	359MSSP	4750	8 BROMIDE UP	202BRMDU	5160
4 HUNTON	269HNTN	4800	9 MCLISH	202MCLS	5300
5 SYLVAN	203SLVN	4930	10 ARBUCKLE	169ABCK	5512

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special Orders

Total Depth: 6000

Ground Elevation: 1194

Surface Casing: 235

Depth to base of Treatable Water-Bearing FM: 100

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

**Approved Method for disposal of Drilling Fluids:**

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 21-37667

H. (Other)

CLOSED SYSTEM=STEEL PITS (REQUIRED - SUTTLE CREEK)

**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: GARBER

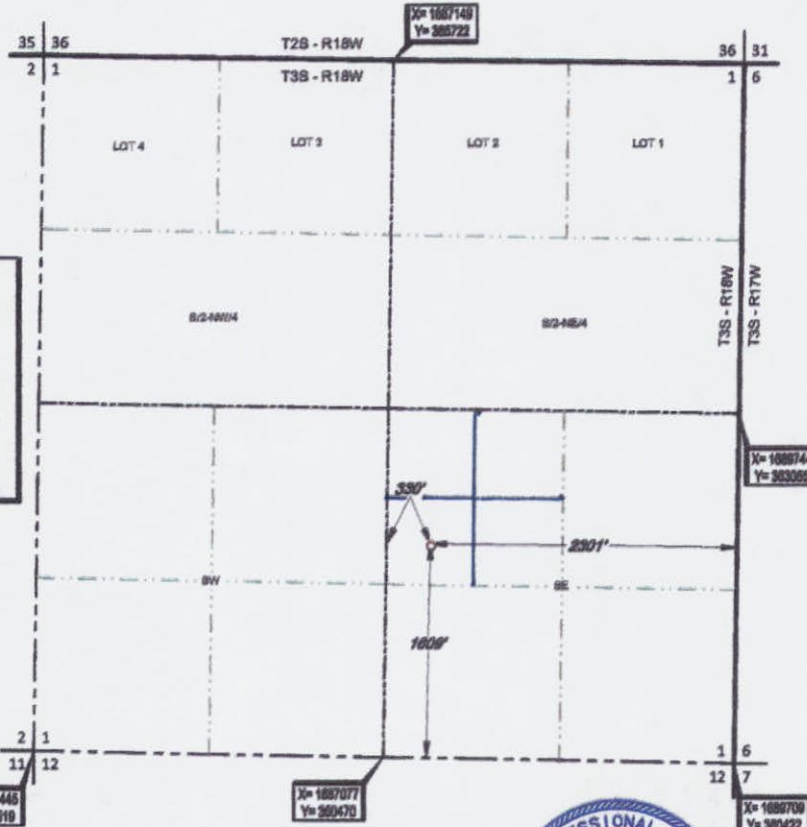
**NOTES:**

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>[5/6/2021 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
SPACING	[6/18/2021 - GC2] - FORMATIONS UNSPACED - 160 ACRE LEASE SE4

1ST STREET FARM #1  
AC EXPLORATION, LLC.  
SECTION 1, TOWNSHIP 3S, RANGE 18W, 1M.  
TILLMAN COUNTY, OKLAHOMA

SECTION LINE  
TOWNSHIP RANGE LINE  
QUARTER SECTION LINE  
16TH LINE



**SURFACE LOCATION**  
1809' FBL & 2301' FEL  
NAD-27  
X= 1887429  
Y= 302073  
LAT: 34°19'28.0" N  
LONG: 99°02'08.9" W  
LAT: 34.323892° N  
LONG: 98.035248° W  
ELEV: 1193' (NOVD29)  
NAD-83  
LAT: 34°19'28.3" N  
LONG: 99°02'08.2" W  
ELEV: 1194' (NOVD83)

X= 100974  
Y= 303060

X= 1682700  
Y= 380422

X=188707  
Y=280470

X=1634445  
Y=382510



Thomas L. Howell, P.L.S. No. 1433  
Authorized Agent of Topographic Land Surveyors

LEASE NAME & WELL NO. 16T STREET FARM #1

SECTION 1 TWP 36 RGE 18W MERIDIAN 1.M.  
COUNTY TILLMAN STATE OKLAHOMA  
DESCRIPTION 1609' F&L & 2301' FEL



1ST STREET  
FARM #1

DATE: 02/05/2021

FILE:LO\_1ST\_STREET\_FARM\_#1

DRAWN BY: KEU

SHEET : 1 OF 2

REVISION:

INT	DATE
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## NOTES

- [illegible]