

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

API NUMBER: 009 21997

Approval Date: 02/11/2019

Expiration Date: 08/11/2020

Horizontal Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 11N Rge: 21W

County: BECKHAM

SPOT LOCATION:

NW

SW

NE

NE

FEET FROM QUARTER: FROM

NORTH

FROM

EAST

SECTION LINES:

856

1258

Lease Name: KELK

Well No: 1H

Well will be 856 feet from nearest unit or lease boundary.

Operator
Name: ATALAYA RESOURCES LLC

Telephone: 9189869000

OTC/OCC Number: 23658 0

ATALAYA RESOURCES LLC

15 E 5TH ST STE 1100

TULSA, OK 74103-4361

H4X, LLC

105 CLYDE AVE

ELK CITY OK 73644

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

	Name	Depth	Name	Depth
1	DES MOINES	12850	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 578782

Location Exception Orders: 690733

Increased Density Orders: 686629

Pending CD Numbers:

Special Orders:

Total Depth: 18000

Ground Elevation: 1983

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 270

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: 25000 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: ELK CITY

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

PERMIT NO: 19-36235

H. SEE MEMO

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.

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: ELK CITY

HORIZONTAL HOLE 1

Sec 14 Twp 11N Rge 21W County BECKHAM

Spot Location of End Point: C S2 SW SW

Feet From: SOUTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 12200

Radius of Turn: 753

Direction: 200

Total Length: 4617

Measured Total Depth: 18000

True Vertical Depth: 13000

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

2/7/2019 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

2/5/2019 - 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; 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

INCREASED DENSITY - 686629

2/11/2019 - G58 - 14-11N-21W
X578782 DSMN
1 WELL
NO OP. NAMED
11/14/2018

LOCATION EXCEPTION - 690733

2/11/2019 - G58 - (I.O.) 14-11N-21W
X578782 DSMN
COMPL. INT. NCT 330' FNL, NCT 330' FSL, NCT 660' FWL
ATALAYA RESOURCES, LLC
2/1/2019

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.

009 21997 KELK 1H

Category	Description
MEMO	2/5/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 578782	2/11/2019 - G58 - (640) 14-11N-21W EXT 577666 DSMN, OTHERS
WATERSHED STRUCTURE	2/5/2019 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 928-9950 PRIOR TO DRILLING

13800 Wireless Way, Okla. City, OK. 73134 * (405) 843-4847 * OUT OF STATE (800) 654-3219
Certificate of Authorization No. 1293 LS

BECKHAM

County, Oklahoma

856'FNL - 1258'FEL Section 14 Township 11N Range 21W I.M.

[illegible]

1983' Gr. at Stake NAVD88
1982' Gr. at Stake NGVD29

From Hwy Jct or Town From Jct. I-40 Bus. & St. Hwy. 34 North, go \pm 0.5 mi. West on I-40,
then \pm 1.0 mi. North to the NE Cor. of Sec. 14-T11N-R21W