

API NUMBER: 045 23872

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

Approval Date: 09/08/2022
Expiration Date: 03/08/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 27 Township: 18N Range: 23W County: ELLIS

SPOT LOCATION: SE NW NE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 2023 962

Lease Name: SHREWDER Well No: 26-23 2H Well will be 962 feet from nearest unit or lease boundary.
Operator Name: VALPOINT OPERATING LLC Telephone: 8063764675 OTC/OCC Number: 23241 0

VALPOINT OPERATING LLC
7400 GOLDEN POND STE 200
AMARILLO, TX 79121-1968

SHREWDER TRUST AB
PO BOX 1
WICHITA KS 67201

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

| Name | Code | Depth |
|----------|---------|-------|
| 1 OSWEGO | 404OSWG | 9677 |

Spacing Orders: 680103

Location Exception Orders: No Exceptions

Increased Density Orders: 727844

Pending CD Numbers: 202202336

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 18171 Ground Elevation: 2332

Surface Casing: 530

Depth to base of Treatable Water-Bearing FM: 480

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: 22-38548
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: 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: OGALLALA

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: OGALLALA

HORIZONTAL HOLE 1

Section: 23 Township: 18N Range: 23W Meridian: IM

Total Length: 7858

County: ELLIS

Measured Total Depth: 18171

Spot Location of End Point: NE NE NW NW

True Vertical Depth: 9712

Feet From: NORTH 1/4 Section Line: 165

End Point Location from

Feet From: WEST 1/4 Section Line: 1000

Lease, Unit, or Property Line: 165

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.

| NOTES: | |
|----------------------------|--|
| Category | Description |
| HYDRAULIC FRACTURING | <p>[8/31/2022 - 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> |
| INCREASED DENSITY - 727844 | <p>[9/8/2022 - GC2] - 23 & 26-18N-23W X680103 OSWG 1 WELL NO OP NAMED 8/24/2022</p> |
| MEMO | [8/31/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 2022-002336 | <p>[9/8/2022 - GC2] - (I.O.) 23 & 36-18N-23W X680103 OSWG COMPL. INT. NCT 165' FNL, NCT 660' FSL, NCT 660' FWL REC. 8/29/2022 (DENTON)</p> |
| SPACING - 680103 | <p>[9/8/2022 - GC2] - (1280)(HOR) 23 & 26-18N-23W VAC 91750 OSWG 23-18N-23W VAC 141054 OSWG 26-18N-23W EST OSWG COMPL. INT. NCT 660' FUB</p> |
| SURFACE CASING | [8/31/2022 - GC2] - NO DEEP SURFACE CASING - LOST CIRCULATION IN 34-18N-23W |