

API NUMBER: 011 24347

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

Approval Date: 01/19/2023

Expiration Date: 07/19/2024

Multi Unit

Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 10 Township: 18N Range: 13W County: BLAINE

SPOT LOCATION:     FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 550 2250

Lease Name: PIONEER FEDERAL Well No: 3-34-18N-13W-2HX Well will be 550 feet from nearest unit or lease boundary.

Operator Name: DERBY EXPLORATION LLC Telephone: 4052024535 OTC/OCC Number: 24143 0

DERBY EXPLORATION LLC  
PO BOX 779  
OKLAHOMA CITY, OK 73101-0779

DONALD E. FOSTER & RAMONA A. FOSTER  
P.O. BOX 389  
CANTON OK 73724

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	8538
2	WOODFORD	319WDFD	9925

Spacing Orders: 672947  
675622  
731371

Location Exception Orders: 731374

Increased Density Orders: 731408  
731373

Pending CD Numbers: No Pending

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

Special Orders: No Special

Total Depth: 20098

Ground Elevation: 1568

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 100

Deep surface casing has been approved

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: 22-38796  
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: 8000 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: ALLUVIAL

Pit Location Formation: ALLUVIUM

**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: ALLUVIAL

Pit Location Formation: ALLUVIUM

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.

**MULTI UNIT HOLE 1**

Section: 34	Township: 19N	Range: 13W	Meridian: IM	Total Length: 10368
	County: BLAINE			Measured Total Depth: 20098
Spot Location of End Point: NW	NW	NW	NE	True Vertical Depth: 20098
Feet From: <b>NORTH</b>		1/4 Section Line: 50		End Point Location from
Feet From: <b>EAST</b>		1/4 Section Line: 2550		Lease, Unit, or Property Line: 50

**NOTES:**

Category	Description
DEEP SURFACE CASING	[1/4/2023 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING.
HYDRAULIC FRACTURING	[1/4/2023 - GC2] - OCC 165:10-3-10 REQUIRES:  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;  2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: <a href="https://oklahoma.gov/occ/divisions/oil-gas/ogcd-forms">HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS</a> ; AND,  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>
INCREASED DENSITY - 731373	[1/19/2023 - GC2] - 3-18N-13W X672947 MSSP 2 WELLS DERBY EXPLORATION 1/13/2023
INCREASED DENSITY - 731408	[1/19/2023 - GC2] - 34-19N-13W X675622 MSSP 2 WELLS DERBY EXPLORATION 1/17/2023
INTERMEDIATE CASING	[1/4/2023 - GC2] - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 731374 (2022-004525)	[1/19/2023 - GC2] - (I.O.) 3-18N-13W & 34-19N-13W X672947 MSSP, WDFD 3-18N-13W X675622 MSSP, WDFD 34-19N-13W COMPL. INT. (3-18N-13W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (34-19N-13W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL DERBY EXPLORATION 1/13/2023
MEMO	[1/4/2023 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 672947	[1/9/2023 - GC2] - (640)(HOR) 3-18N-13W EST MSSP EXT 665706 WDFD COMPL. INT. (MSSP) NCT 660' FB COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL (COEXIST SPACING ORDER #250031 UNCCR)
SPACING - 675622	[1/9/2023 - GC2] - (640)(HOR) 34-19N-13W EXT 665706 MSSP, WDFD COMPL. INT. (MSSP) NCT 660' FB COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL (COEXIST SPACING ORDER #153696 MNNG & MSSSD, #46580 UNCCR)
SPACING - 731371 (2022-004521)	[1/19/2023 - GC2] - (I.O.) 3-18N-13W & 34-19N-13W EST MULTIUNIT HORIZONTAL WELL X672947 MSSP, WDFD 3-18N-13W X675622 MSSP, WDFD 34-19N-13W 50% 3-18N-13W 50% 34-19N-13W DERBY EXPLORATION 1/13/2023

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011 24347 PIONEER FEDERAL 3-34-18N-13W-2HX