

API NUMBER: 137 27601

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

Approval Date: 02/24/2020  
Expiration Date: 08/24/2021

Horizontal Hole Oil & Gas

## PERMIT TO DRILL

WELL LOCATION: Section: 28 Township: 1S Range: 5W County: STEPHENS

SPOT LOCATION: ☐ N2 ☐ NE ☐ SE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 1115 330

Lease Name: ML Well No: N1L Well will be 165 feet from nearest unit or lease boundary.

Operator Name: MAXIMUM RESERVE RECOVERY LLC Telephone: 5802510069 OTC/OCC Number: 24305 0

MAXIMUM RESERVE RECOVERY LLC  
PO BOX 661  
VELMA, OK 73491-0661

KN OIL LLC  
3213 GLENWOOD COURT  
DUNCAN OK 73533

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

Name	Code	Depth
1 PERMIAN	459PRMN	30

Spacing Orders: 708751

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: 201905650

Special Orders: No Special Orders

Total Depth: 4314

Ground Elevation: 1130

Surface Casing: 1125

Depth to base of Treatable Water-Bearing FM: 150

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:

F. Haul to Commercial soil farming facility: Sec. 21 Twn. 2N Rng. 4W Cnty. 137 Order No: 603746

### PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 2

Liner not required for Category: 2

Pit Location is: BED AQUIFER

Pit Location Formation: PURCELL

### PIT 2 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: PURCELL

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.

**HORIZONTAL HOLE 1**

Section: 28	Township: 1S	Range: 5W	Total Length: 4314
County: STEPHENS			Measured Total Depth: 4314
Spot Location of End Point: N2	NE	NE	NE
Feet From: <b>NORTH</b>			1/4 Section Line: 165
Feet From: <b>WEST</b>			1/4 Section Line: 330
End Point Location from			True Vertical Depth: 475
Lease, Unit, or Property Line: 165			

**NOTES:**

Category	Description
*DEEP SURFACE CASING*	2/18/2020 - GC2 - DUE TO WELL BEING DRILLED AT AN ANGLE SURFACE CASING LOOKS TO BE DEEP SURFACE CASING HOWEVER 1125' MD = 255' TVD. THIS KEEPS THE SURFACE CASING WITHIN THE RANGE OF 50' TO 250' WITHOUT NEEDING A DEEP SURFACE CASING LETTER.
BOP	2/21/2020 - GC2 - PLEASE REFERENCE RULE 165:10-3-4 FOR MAINTENANCE AND COMPLIANCE OF BOP
CEMENT	2/18/2020 - GC2 - CBL REQUIRED
HYDRAULIC FRACTURING	2/18/2020 - GC2 - NO HYDRAULIC FRACTURING AND NO ACIDIZATION
PENDING CD - 201905651	1/30/2020 - GC2 - (I.O.) E2 E2 NE4 28-1S-5W X165:10-3-28(C)(2)(A) PRMN (ML N1L) MAY BE CLOSER THAN 300' TO HOLDER (#1) 8, FORD 1, FORD 2, FORD 4, FORD 3, HOLDER 1, HOLDER 2, HOLDER 3, HOLDER 4, HOLDER 6, HOLDER 7, HOLDER 10, FORD 5, FORD 6, FORD 7 NO OP. NAMED REC. 1-7-2020 (HUBER)
SPACING - 708751 (201905650)	1/30/2020 - GC2 - (40)(HOR)(IRR) E2 E2 NE4 28-1S-5W SU EST PRMN COMPL. INT. NCT 165' FB 2-13-2020

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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.

137 27601 ML N1L