

API NUMBER: 121 24925

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

Approval Date: 12/01/2022
Expiration Date: 06/01/2024

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 30 Township: 4N Range: 16E County: PITTSBURG

SPOT LOCATION: ☐ NE ☐ SE ☐ SW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 2190 1500

Lease Name: PENFIELD Well No: 3-30 Well will be 1500 feet from nearest unit or lease boundary.
Operator Name: OXLEY ENERGY LLC Telephone: 7134676427 OTC/OCC Number: 24290 0

OXLEY ENERGY LLC

HOUSTON, TX 77224-9545

NANCY A. LOVELESS

AKA, NANACY A. ALLEN

7534 SOUTH BACHE ROAD

HARTSHORNE OK 74547

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

Name	Code	Depth
1 ATOKA MID (RED OAK)	403AKMRO	9500

Spacing Orders: 162419

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202204769

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 9500 Ground Elevation: 667

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 160

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 22-38745

H. (Other)

CLOSED SYSTEM=STEEL PITS PER OPERATOR
REQUEST

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: AIR

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: 4

Liner not required for Category: 4

Pit Location is: ALLUVIAL

Pit Location Formation: ALLUVIUM

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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

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>[12/1/2022 - 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 FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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>
PENDING CD - 202204769	<p>[12/1/2022 - G56] - (E.O.) 30-4N-16E X162419 ATOKM 1 WELL NO OP NAMED HEARING 12/6/2022</p>
SPACING - 162419	<p>[12/1/2022 - G56] - (640) 30-4N-16E EXT OTHERS EST OTHERS EXT 82498 ATOKM</p>
SURFACE CASING	<p>[12/1/2022 - GC2] - NO DEEP SURFACE CASING - LOST CIRCULATION IN 25-4N-15E</p>