

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

API NUMBER: 141 20521

Approval Date: 02/07/2019

Expiration Date: 08/07/2020

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 3S Rge: 19W

County: TILLMAN

SPOT LOCATION: ☐ NW ☐ NW ☐ SW ☐ SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 995 2524

Lease Name: GAINES

Well No: 3

Well will be 1645 feet from nearest unit or lease boundary.

Operator Name: AC OPERATING COMPANY LLC

Telephone: 7138819030

OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC
952 ECHO LN STE 390
HOUSTON, TX 77024-2851

THOMAS AND MARSHA GAINES
21645 CR EW 191
DAVIDSON OK 73537

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

	Name	Depth	Name	Depth
1	STRAWN	4600	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 658650

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5200

Ground Elevation: 1234

Surface Casing: 250

Depth to base of Treatable Water-Bearing FM: 120

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

Notes:

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.

141 20521 GAINES 3

Category	Description
HYDRAULIC FRACTURING	<p>1/24/2019 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
SPACING - 658650	<p>2/7/2019 - G58 - (UNIT) S2 2-3S-19W EST SOUTH TRIMUE UNIT, STRN</p>

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141 20521 GAINES 3

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

141-20521

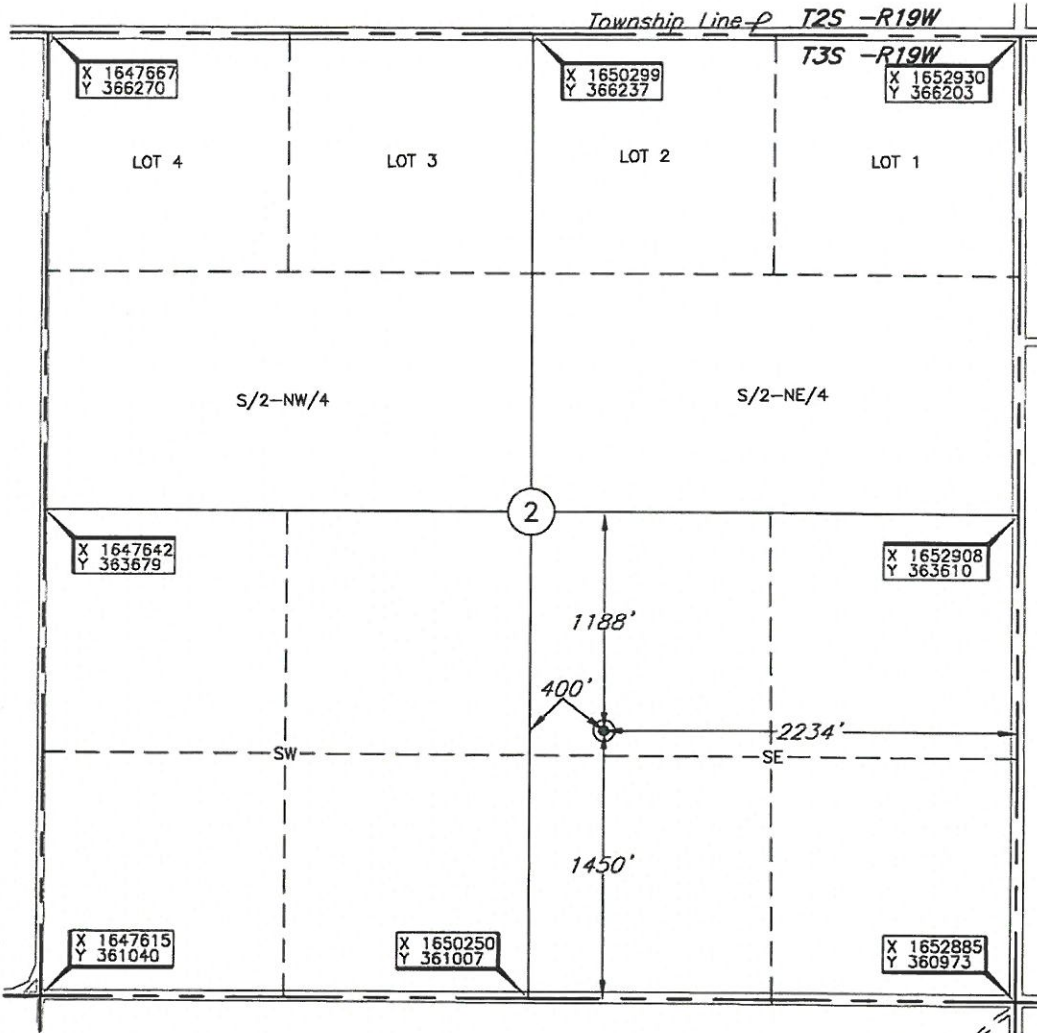
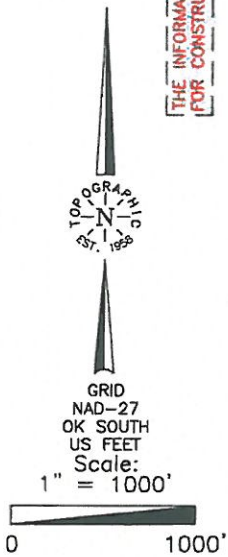
TILLMAN

County, Oklahoma

1450'FSL - 2234'FEL Section 2 Township 3S Range 19W I.M.

Township Line - P T2S - R19W

THE INFORMATION SHOWN HEREIN IS
FOR CONSTRUCTION PURPOSES ONLY



Operator: AC EXPLORATION, LLC

Lease Name: GAINES

Well No.: #3

ELEVATION:

1241' Gr. at Stake

Topography & Vegetation Loc. fell in grass field

Good Drill Site? Yes Reference Stakes or Alternate Location
Stakes Set None

Best Accessibility to Location From South off county road.

Distance & Direction

from Hwy Jct or Town From Frederick, OK, go ±6.5 mi. West on St. Hwy 5, then ±5.0 mi. South, then ±1.0 mi. West to the SE Cor. of Sec. 2-T3S-R19W.

DATUM: NAD-27
LAT: 34°19'25.8" N
LONG: 99°09'25.3" W
LAT: 34.323823227° N
LONG: 99.157015608° W
STATE PLANE
COORDINATES: (US Feet)
ZONE: OK SOUTH
X: 1650664
Y: 362451

Project # 125622 Date of Drawing: Apr. 10, 2019
Date Staked: Apr. 09, 2019 AC

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Thomas L. Howell
Oklahoma Lic. No. 1433



TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

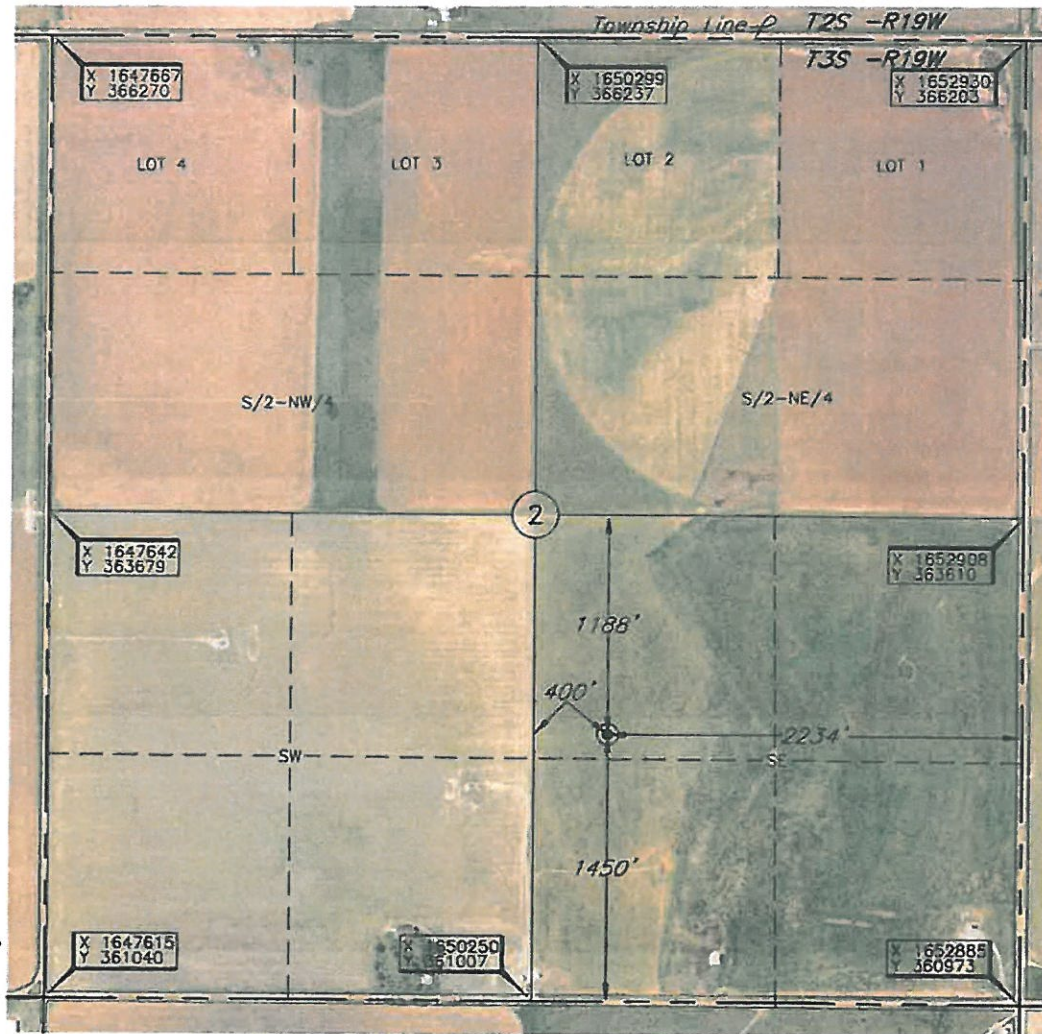
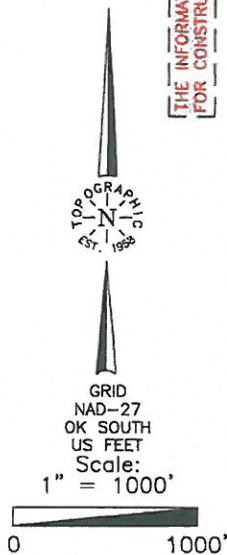
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This information was gathered with a GPS receiver with ± 1 foot Horiz./Vert. accuracy

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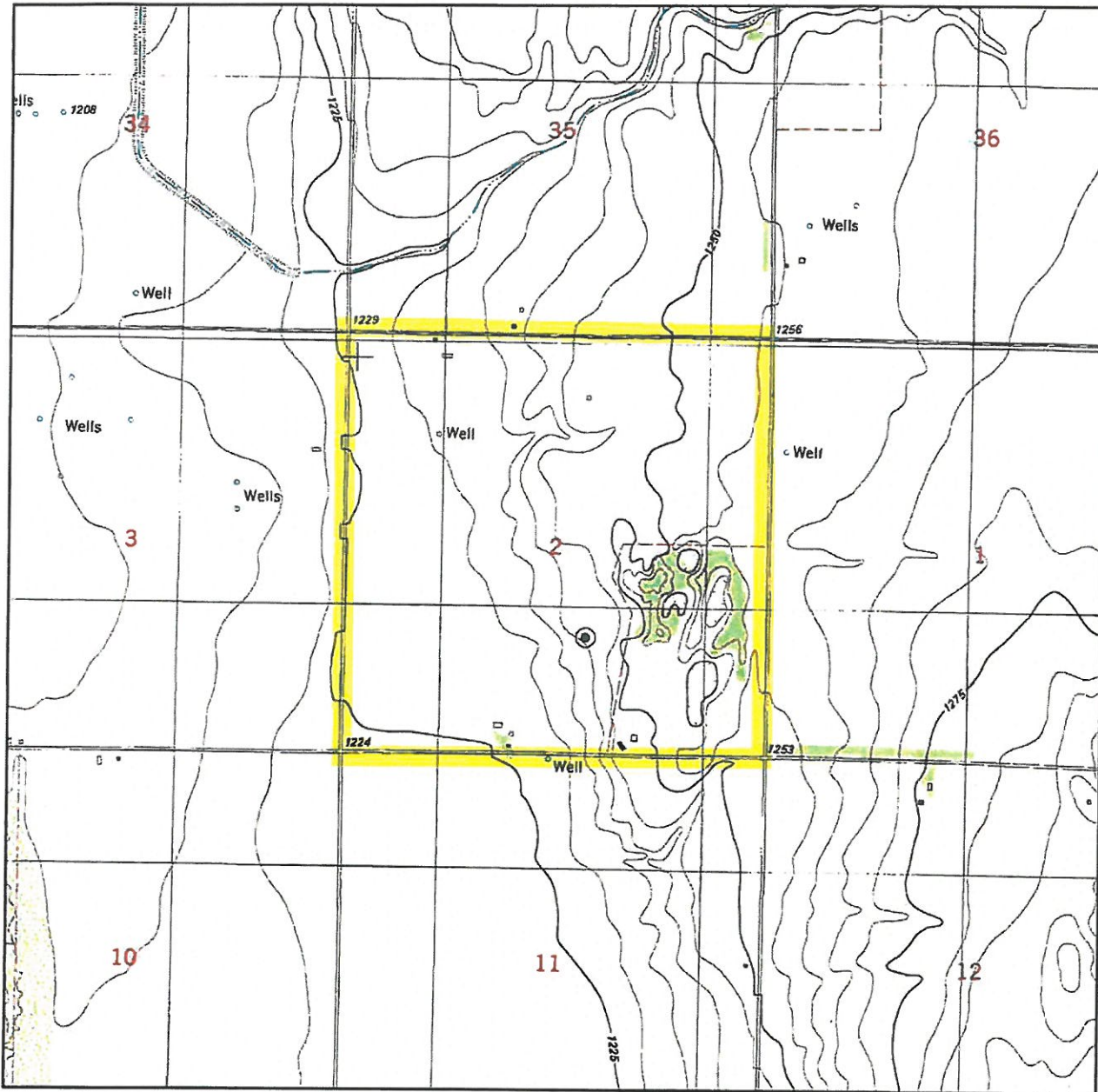
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TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

Surveying and Mapping for the Energy Industry
13800 Wireless Way, Oklahoma City, OK 73134 www.topographic.com
Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

LOCATION & ELEVATION VERIFICATION MAP



Sec. 2 Twp. 3S Rng. 19W I.M.

County TILLMAN State OK

Operator AC EXPLORATION, LLC

Description 1450'FSL - 2234'FEL

Lease GAINES #3

Elevation 1241' Gr. at Stake

Above Background Data from
U.S.G.S. Topographic Map
Scale: 1"=2000'

Contour Interval 5'

When elevation is shown hereon it is the ground
elevation of the location stake.
Review this plat and inform us immediately of
any possible discrepancy.



LAND SURVEYORS OF OKLAHOMA

Apr. 09, 2019

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This is a detailed plat map of Jackson County, Tennessee, showing the intersection of Townships 2 South, 3 South, and 4 South with Ranges 19 West, 18 West, and 17 West. The map features a grid of sections, with section 2 in T3S, R19W highlighted in yellow. Key landmarks include the Clinch River, Clinch Mountain, and the town of Dunningham. The map is labeled with 'JACKSON COUNTY' and 'WILBARGER COUNTY'.

 **TOPOGRAPHIC**
LOYALTY INNOVATION LEGACY
LAND SURVEYORS OF OKLAHOMA