

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

API NUMBER: 141 20526

Approval Date: 12/31/2019
Expiration Date: 06/30/2021

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 3S Rge: 18W County: TILLMAN
SPOT LOCATION: NW SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 350 350

Lease Name: IVANHO Well No: 1 Well will be 350 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

O & O FARM & RANCH
21954 CO ROAD EW 187
FREDERICK OK 73542

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

	Name	Depth	Name	Depth
1	HENDERSON	2990	6	
2	CANYON	3110	7	
3	STRAWN	4000	8	
4	MISSISSIPPIAN	5000	9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5600 Ground Elevation: 1191 **Surface Casing: 200** Depth to base of Treatable Water-Bearing FM: 110

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:

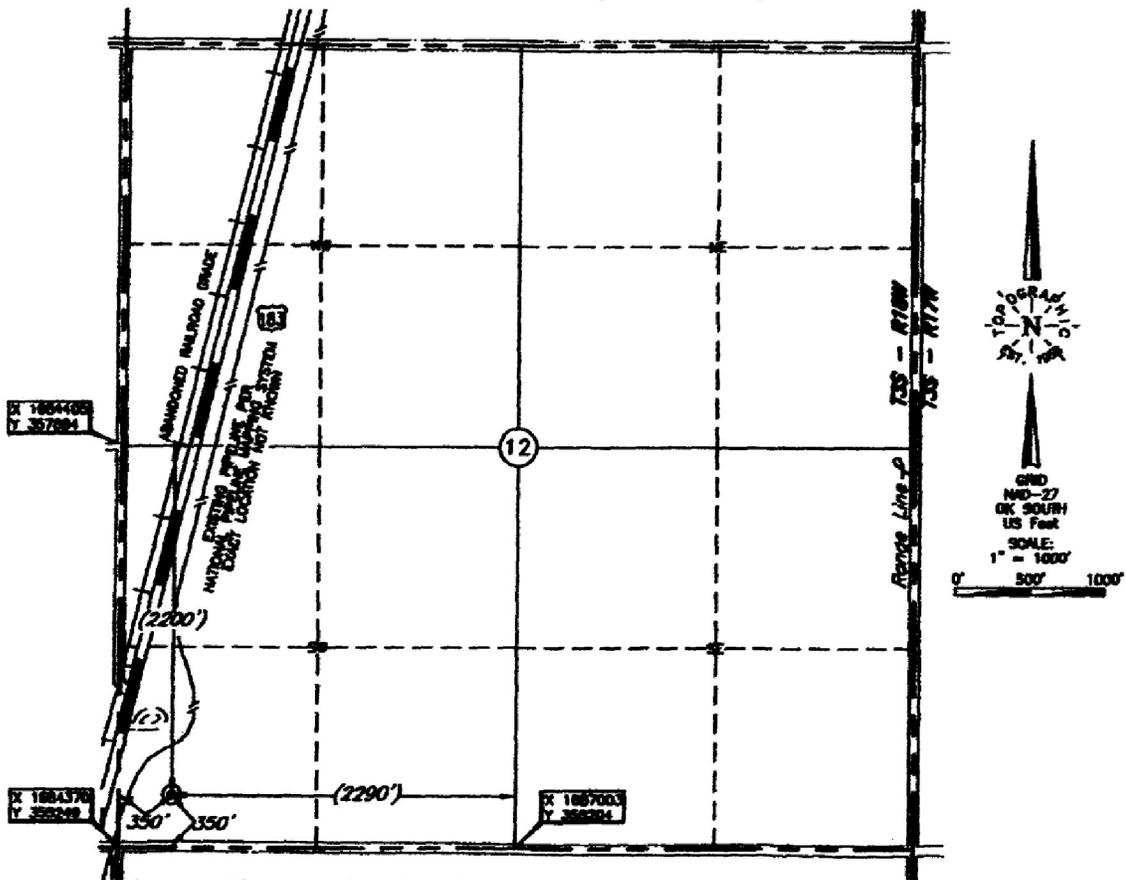
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
HYDRAULIC FRACTURING	<p data-bbox="553 100 1019 130">12/9/2019 - G71 - OCC 165:10-3-10 REQUIRES:</p> <ol style="list-style-type: none"> <li data-bbox="553 151 1528 226">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; <li data-bbox="553 247 1528 348">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, <li data-bbox="553 369 1528 443">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
SPACING	<p data-bbox="553 453 1011 506">12/30/2019 - GC2 - FORMATIONS UNSPACED 160-ACRE LEASE SW4</p>

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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.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA
 13200 Western Hwy, Okla. City, OK 73134 • LOCAL (405) 843-8847 • OUT OF STATE (800) 854-3219
 Certificate of Authorization No. 1283 LS

TEJMAN County, Oklahoma
 350' FSL - 350' FWL Section 12 Township 3S Range 18W I.M.



Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have not been measured.

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

Operator: AC EXPLORATION, LLC
 Lease Name: MANHO Well No.: #1 ELEVATION: 1191' Gr. of Stake
 Topography & Vegetation: Location fell in open cotton 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 Jct. of St. Hwy. 5 & US. Hwy. 183, go ±6.4 mi. South on US. Hwy. 183 N-S - Main St, then ±0.1 mi. East on county road E1870RD, location on left

DATUM: NAD-27
 LAT: 34°18'21.6"W
 LONG: 99°02'38.3"W
 LAT: 34.305897042 N
 LONG: 99.043978077 W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK SOUTH
 X: 1684725
 Y: 355593

Revision LA Date of Drawing: Nov. 18, 2019
 Project # 131561 Date Staked: Nov. 15, 2019 LC

CERTIFICATE:
 I, T. Wayne Fisch an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.
T. Wayne Fisch
 Oklahoma Lic. No. 1378

