

API NUMBER: 043 23759

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

Approval Date: 08/16/2022
Expiration Date: 02/16/2024

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 30 Township: 18N Range: 14W County: DEWEY

SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 178 990

Lease Name: JOHNSTON Well No: 19-30-2XH Well will be 178 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

TODD JOHNSTON
PO BOX 194
CANTON OK 73724

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	9654
2	WOODFORD	319WDFD	11274

Spacing Orders: 687569
689483

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202202684
202202685
202202683
202202687

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 21402 Ground Elevation: 1911

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 350

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: 22-38498
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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: 19	Township: 18N	Range: 14W	Meridian: IM	Total Length: 10000
	County: DEWEY			Measured Total Depth: 21402
Spot Location of End Point: NW	NW	NW	NE	True Vertical Depth: 12000
Feet From: NORTH		1/4 Section Line: 50		End Point Location from
Feet From: WEST		1/4 Section Line: 2556		Lease, Unit, or Property Line: 50

NOTES:

Category	Description
DEEP SURFACE CASING	[8/10/2022 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	<p>[8/10/2022 - 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 HYDRAULIC FRACTURING OPERATIONS. FORM 6000NH shall be used and is found at this link: OCCWEB.COM/OG/OGFORMS.HTML; 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>
INTERMEDIATE CASING	[8/10/2022 - 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
MEMO	[8/10/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202202683	<p>[8/16/2022 - GB1] - (E.O) 19 & 30-18N-14W EST MULTIUNIT HORIZONTAL WELL X689483 MSSP, WDFD, OTHER 19-18N-14W X687569 MSSP, WDFD, OTHER 30-18N-14W (WDFD, OTHER ADJ CSS TO MSSP) 50% 19-18N-14W 50% 30-18N-14W DERBY EXPLORATION, LLC REC 8/16/2022 (NORRIS)</p>
PENDING CD - 202202684	<p>[8/16/2022 - GB1] - (E.O.) 19-18N-14W X689483 MSSP 2 WELLS DERBY EXPLORATION, LLC REC 8/16/22 (NORRIS)</p>
PENDING CD - 202202685	<p>[8/16/2022 - GB1] - (E.O.) 30-18N-14W X687569 MSSP 2 WELLS DERBY EXPLORATION, LLC REC 8/16/2022 (NORRIS)</p>
PENDING CD - 202202687	<p>[8/16/2022 - GB1] - (E.O) 19 & 30-18N-14W X689483 MSSP, WDFD, OTHER 19-18N-14W X687569 MSSP, WDFD, OTHER 30-18N-14W COMPL. INT. (30-18N-14W) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL COMPL. INT. (19-18N-14W) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL DERBY EXPLORATION, LLC REC 8/16/2022 (NORRIS)</p>
SPACING - 687569	<p>[8/16/2022 - GB1] - (640)(HOR) 30-18N-14W VAC 307029 MSSLM, KDRK, WDFD, OTHER EST MSSP, WDFD, OTHER COMPL. INT. (MSSP) NCT 660' FB COMPL. INT. (WDFD) NCT 165' FNL/FSL & NCT 330' FEL/FWL</p>
SPACING - 689483	<p>[8/16/2022 - GB1] - (640)(HOR) 19-18N-14W VAC 95923 CSTR VAC 307029 MSSLM, KDRK, WDFD, OTHER EST MSSP, WDFD, OTHER COMPL. INT. (MSSP) NCT 660' FB COMPL. INT. (WDFD) NCT 165' FNL/FSL & NCT 330' FEL/FWL</p>

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043 23759 JOHNSTON 19-30-2XH