

API NUMBER: 043 23724

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

Approval Date: 06/23/2021
Expiration Date: 12/23/2022

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 24 Township: 19N Range: 15W County: DEWEY

SPOT LOCATION: ☐ NE ☐ NW ☐ SW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1000 380

Lease Name: STATESMAN 19-15-24 Well No: 1H Well will be 380 feet from nearest unit or lease boundary.

Operator Name: STAGHORN PETROLEUM II LLC Telephone: 9185842558 OTC/OCC Number: 24056 0

STAGHORN PETROLEUM II LLC
1 W 3RD ST STE 1000
TULSA, OK 74103-3500

CHAIN LAND & CATTLE CO., INC.
237687 STATE HIGHWAY 51
CANTON OK 73724

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

Name	Code	Depth
1 RED FORK	404RDFK	8282

Spacing Orders: 112967

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: 202100868

Working interest owners' notified: ***

Special Orders: No Special Orders

202100869

Total Depth: 12500

Ground Elevation: 1830

Surface Casing: 510

Depth to base of Treatable Water-Bearing FM: 260

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: 21-37664

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.

HORIZONTAL HOLE 1

Section: 24 Township: 19N Range: 15W Meridian: IM Total Length: 3600
County: DEWEY Measured Total Depth: 12500
Spot Location of End Point: SE NW NW NW True Vertical Depth: 8346
Feet From: **NORTH** 1/4 Section Line: 165 End Point Location from
Feet From: **WEST** 1/4 Section Line: 380 Lease,Unit, or Property Line: 165

NOTES:

Category	Description
DEEP SURFACE CASING	[6/21/2021 - GC2] - NO DEEP SURFACE CASING - LOST CIRCULATION IN 19-19N-14W (SE SE SE SE)
HYDRAULIC FRACTURING	<p>[6/21/2021 - 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 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.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	[6/23/2021 - 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	[6/21/2021 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202100868	<p>[6/23/2021 - GC2] - (I.O.) 24-19N-15W</p> <p>X112967 RDFK</p> <p>COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL</p> <p>NO OP NAMED</p> <p>REC. 6/14/2021 (MOORE)</p>
PENDING CD - 202100869	<p>[6/23/2021 - GC2] - 24-19N-15W</p> <p>X112967 RDFK</p> <p>1 WELL</p> <p>NO OP NAMED</p> <p>REC. 6/14/2021 (MOORE)</p>
SPACING - 112967	<p>[6/23/2021 - GC2] - (640) 24-19N-15W</p> <p>EST RDFK</p>



Well Location Plat

Sec. 24-19N-15W I.M.

Operator: STAGHORN PETROLEUM, LLC

Lease Name and No.: STATESMAN 19-15-24 1H

Surface Hole Location: 1000' FSL - 380' FWL Gr. Elevation: 1830'

NE/4-NW/4-SW/4 Section: 24 Township: 19N Range: 15W I.M.

Bottom Hole Location: 165' FNL - 380' FWL

SW/4-NE/4-NW/4-SW/4 Section: 24 Township: 19N Range: 15W I.M.

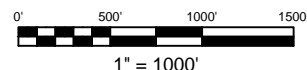
County: Dewey State of Oklahoma

Terrain at Loc.: Location fell in open pasture with small rolling hills.

Existing two-track road on North side of location.



All bearings shown are grid bearings.

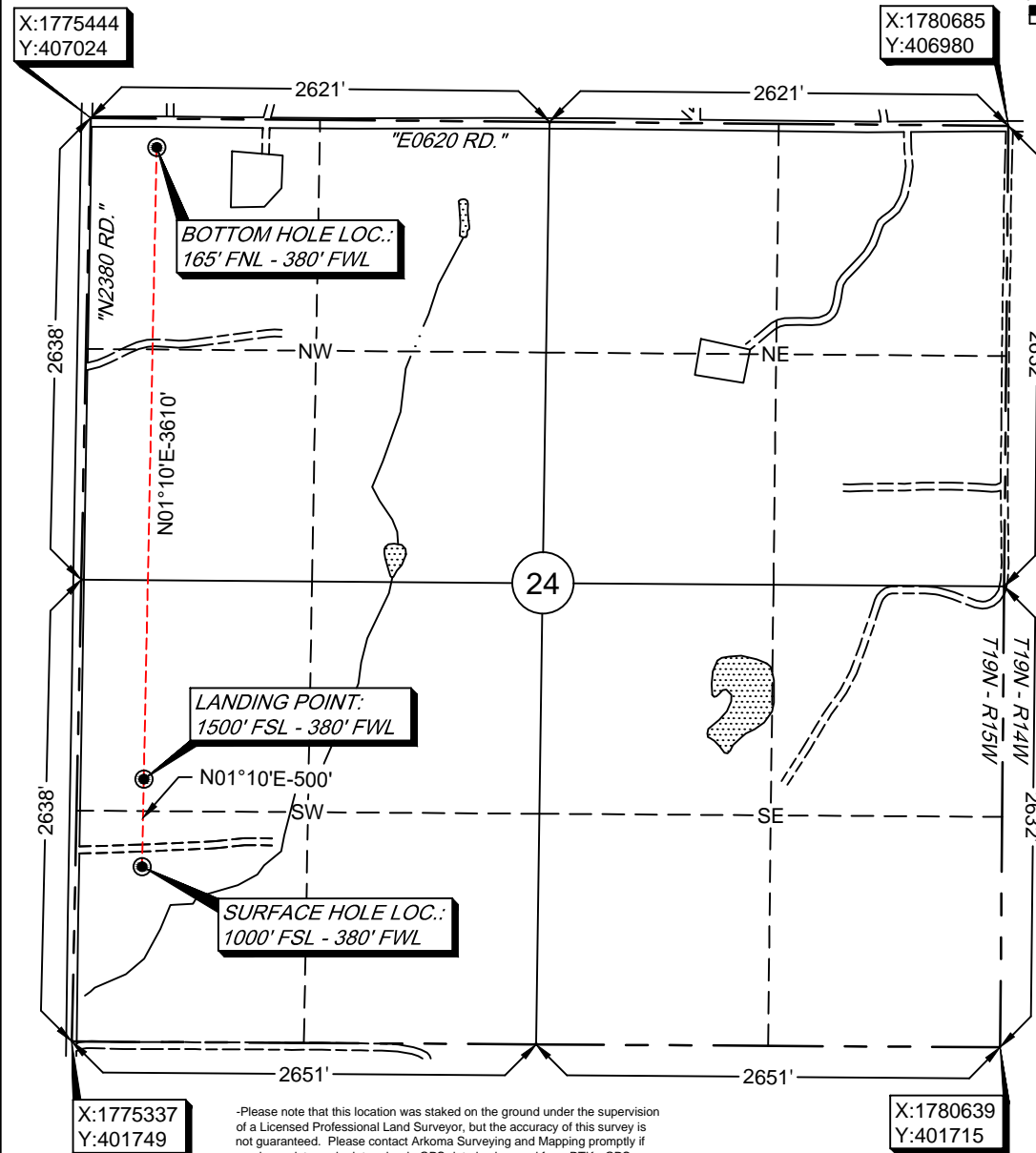


GPS DATUM
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 36°06'14.45"N
Lon: 98°45'32.96"W
Lat: 36.10401264
Lon: -98.75915495
X: 1775737
Y: 402746

Landing Point:
Lat: 36°06'19.39"N
Lon: 98°45'32.88"W
Lat: 36.10538650
Lon: -98.75913350
X: 1775747
Y: 403246

Bottom Hole Loc.:
Lat: 36°06'55.09"N
Lon: 98°45'32.33"W
Lat: 36.11530353
Lon: -98.75897963
X: 1775821
Y: 406856



-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.
-Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:

Arkoma Surveying and Mapping, PLLC

P.O. Box 238 Wilburton, OK 74578

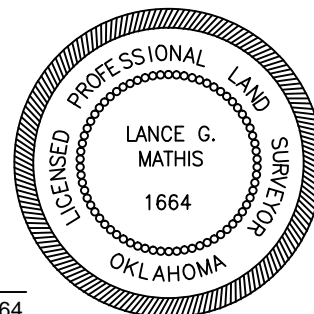
Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. 5348

Expires June 30, 2022

Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.



Invoice #9383-A

Date Staked: 05/04/2021 By: H.S.

Date Drawn: 05/10/2021 By: J.K.

Lance G. Mathis
LANCE G. MATHIS

06/01/2021

OK LPLS 1664



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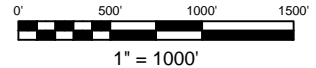
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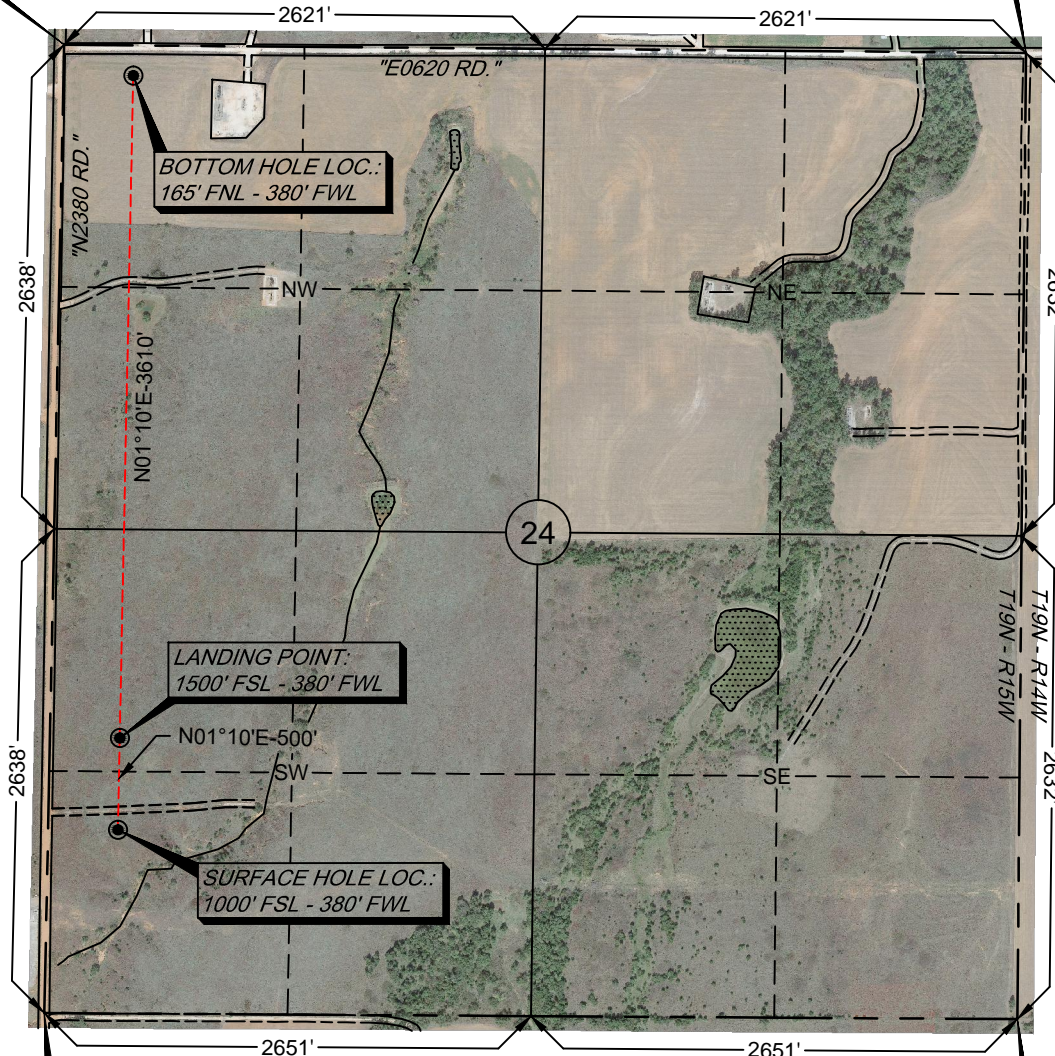
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Lon: -98.75897963
X: 1775821
Y: 406856

X:1775444
Y:407024

X:1780685
Y:406980



X:1775337
Y:401749

X:1780639
Y:401715

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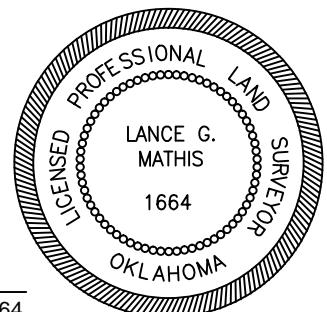
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By: H.S.

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Lance G. Mathis
LANCE G. MATHIS

06/01/2021

OK LPLS 1664



Staghorn
PETROLEUM, LLC

Anti-Collision

Sec. 24-19N-15W I.M.

Operator: STAGHORN PETROLEUM, LLC

Lease Name and No.: STATESMAN 19-15-24 1H

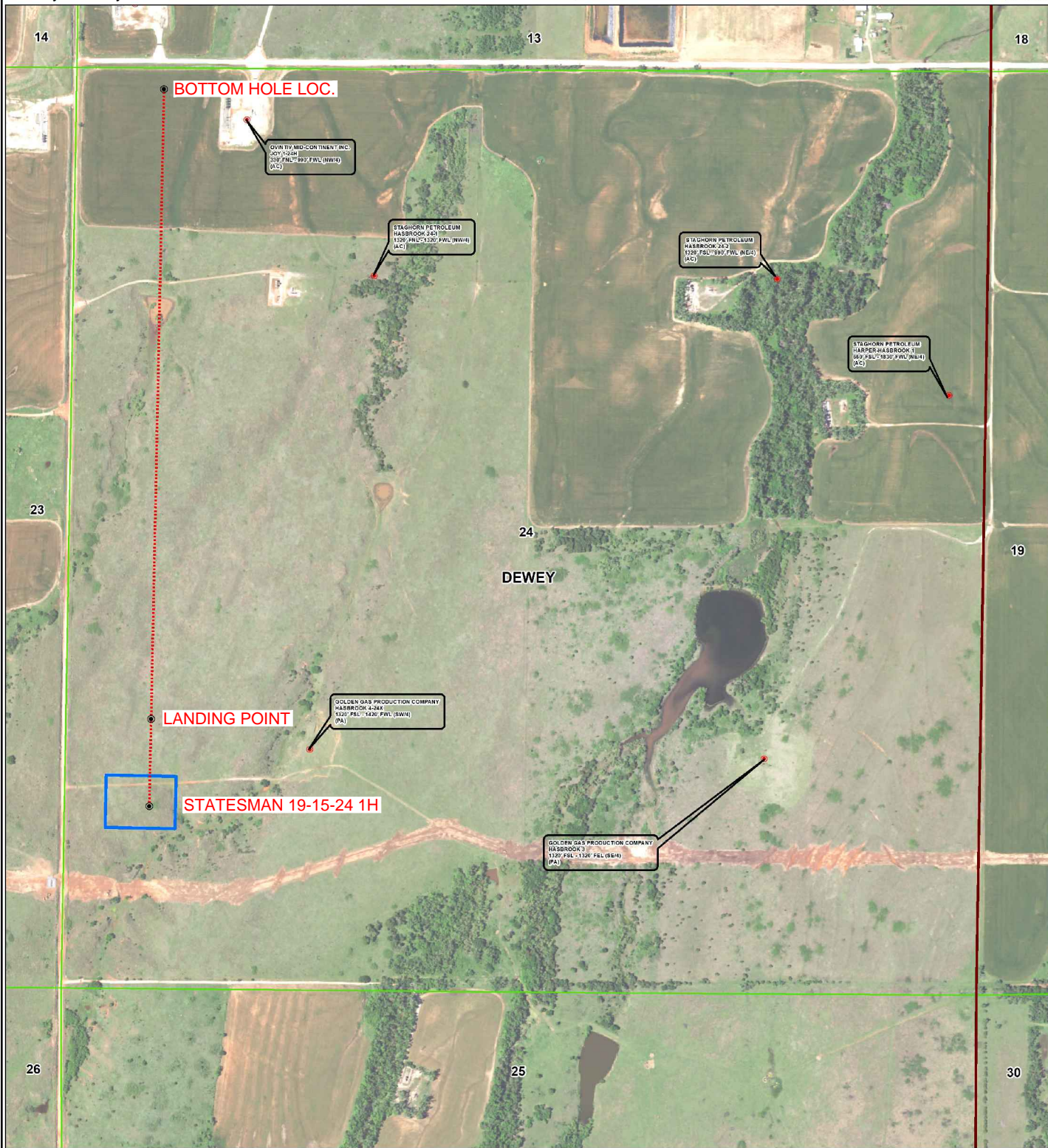
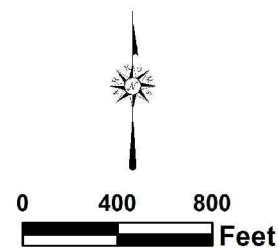
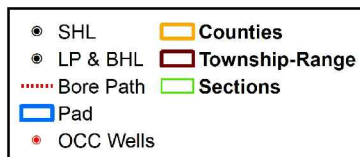
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Landing Point: 1500' FSL - 380' FWL

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Sec.: 24 Township: 19N Range: 15W I.M.

County: Dewey State of Oklahoma





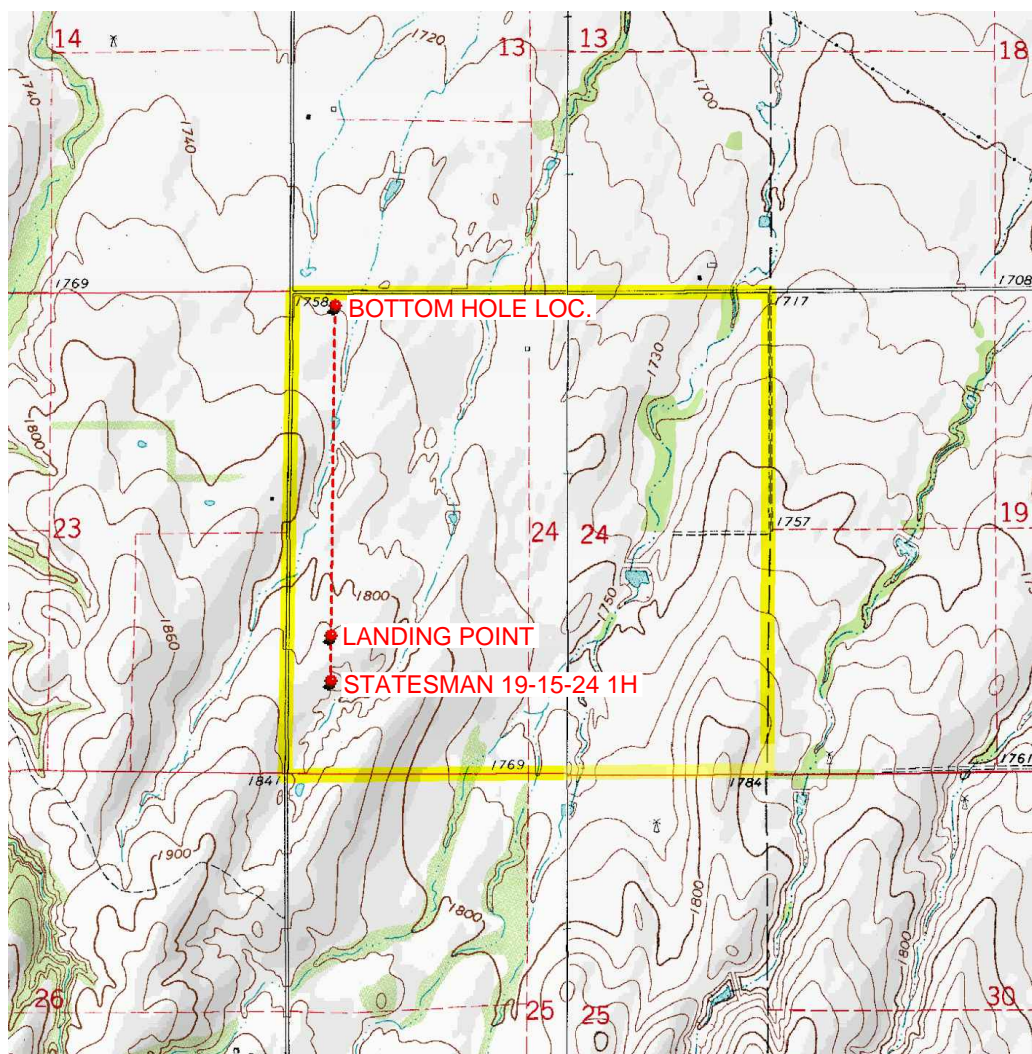
Topographic Vicinity Map



Operator: STAGHORN PETROLEUM, LLC
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Sec.: 24 Township: 19N Range: 15W I.M.
County: Dewey State of Oklahoma

Ground Elevation at Surface Hole Location: 1830'

Scale 1" = 2000'
Contour Interval: 10'



Provided by:
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P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. 5348
Expires June 30, 2022

Date Staked: 05/26/2021

The purpose of this map is to verify the location and elevation as staked on the ground and to show the surrounding Topographic features. The footage shown hereon is only as SCALED onto a U.S.G.S. Topographic Map.

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County Highway Vicinity Map



Job #: 9383-A

Operator: STAGHORN PETROLEUM, LLC

Lease Name and No.: STATESMAN 19-15-24 1H

Accessibility: From the Southeast.

Directions: From the junction of State Highways 58 & 51 in Canton, OK, go 9.0 miles West on OK-51, then 3.25 miles North on "N2380 Rd." to the entrance to an existing 2-Track Road in the SW/4 of Section 24-19N-15W.

1 inch = 1.25 mile

provided by:
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