

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

API NUMBER: 011 24246

Approval Date: 12/05/2019

Expiration Date: 06/05/2021

Horizontal Hole
Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 18N Rge: 13W County: BLAINE

SPOT LOCATION: ☐ NE ☐ SE ☐ SW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 335 999

Lease Name: GAMBILL FEDERAL

Well No: 6-7-1XH

Well will be 335 feet from nearest unit or lease boundary.

Operator Name: DERBY EXPLORATION LLC

Telephone: 4056393786

OTC/OCC Number: 24143 0

DERBY EXPLORATION LLC
PO BOX 779
OKLAHOMA CITY, OK 73101-0779

DAWN MARIE GAMBILL & DARRIN GAMBILL
66056 NORTH 2440 ROAD
CANTON OK 73724

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	8795	6	
2	WOODFORD	10295	7	
3			8	
4			9	
5			10	

Spacing Orders: 697468
693591
701401

Location Exception Orders: 700486

Increased Density Orders:

Pending CD Numbers: 201905552

Special Orders:

Total Depth: 20408

Ground Elevation: 1689

Surface Casing: 380

Depth to base of Treatable Water-Bearing FM: 130

Under Federal Jurisdiction: Yes

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

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

PERMIT NO: 19-37112

H. SEE MEMO

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.

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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 06 Twp 18N Rge 13W County BLAINE

Spot Location of End Point: NW NE NW NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 900

Depth of Deviation: 9925

Radius of Turn: 493

Direction: 359

Total Length: 9708

Measured Total Depth: 20408

True Vertical Depth: 10504

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

HYDRAULIC FRACTURING

11/21/2019 - G71 - OCC 165:10-3-10 REQUIRES:

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;

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,

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

INTERMEDIATE CASING

11/21/2019 - G71 - 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

LOCATION EXCEPTION - 700486
(201900523)

12/5/2019 - G56 - (I.O.) 6 & 7-18N-13W
X697468 MSSP, WDFD 6-18N-13W
X693591 MSSP, WDFD 7-18N-13W
COMPL INT (6-18N-13W) NCT 165' FNL, NCT 0' FSL, NCT 660' FWL
COMPL INT (7-18N-13W) NCT 0' FNL, NCT 165' FSL, NCT 660' FWL
NO OP NAMED
8/8/2019

MEMO

11/21/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.

011 24246 GAMBILL FEDERAL 6-7-1XH

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.

PENDING CD - 201905552	12/5/2019 - G56 - 7-18N-13W X693591 MSSP 1 WELL NO OP NAMED HEARING 12/17/2019
SPACING - 693591	12/5/2019 - G56 - (640)(HOR) 7-18N-13W EXT 687005 MSSP, WDFD COMPL INT (MSSP) NCT 660' FB COMPL INT (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL
SPACING - 697468	12/5/2019 - G56 - (640)(HOR) 6-18N-13W EXT 687005 MSSP, WDFD, OTHER COMPL INT (MSSP) NCT 660' FB COMPL INT (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL (COEXIST WITH SP # 696236 MSSLM)
SPACING - 701401 (201900519)	12/5/2019 - G56 - (I.O.) 6 & 7-18N-13W EST MULTIUNIT HORIZONTAL WELL X697468 MSSP, WDFD 6-18N-13W X693591 MSSP, WDFD 7-18N-13W (WDFD IS ADJACENT COMMON SOURCE OF SUPPLY TO MSSP) 50% 6-18N-13W 50% 7-18N-13W NO OP NAMED 8/28/2019

**DERBY**

Well Location Plat

S.H.L. Sec. 7-18N-13W I.M.

B.H.L. Sec. 6-18N-13W I.M.

Operator: DERBY EXPLORATION, LLC
 Lease Name and No.: GAMBILL FEDERAL 6-7-1XH
 Footage: 335' FSL - 999' FWL Pad Elevation: 1689'
 Section: 7 Township: 18N Range: 13W I.M.
 County: Blaine State of Oklahoma

Terrain at Loc.: Location fell on existing pad site, $\pm 50'$ E. & $\pm 50'$ S. of existing wellhead.

GPS DATUM

NAD 83

NAD 27

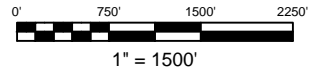
OK NORTH ZONE

BASIS OF BEARING:
 GRID NORTH - NAD 83
 STATE PLANE - OK NORTH ZONE

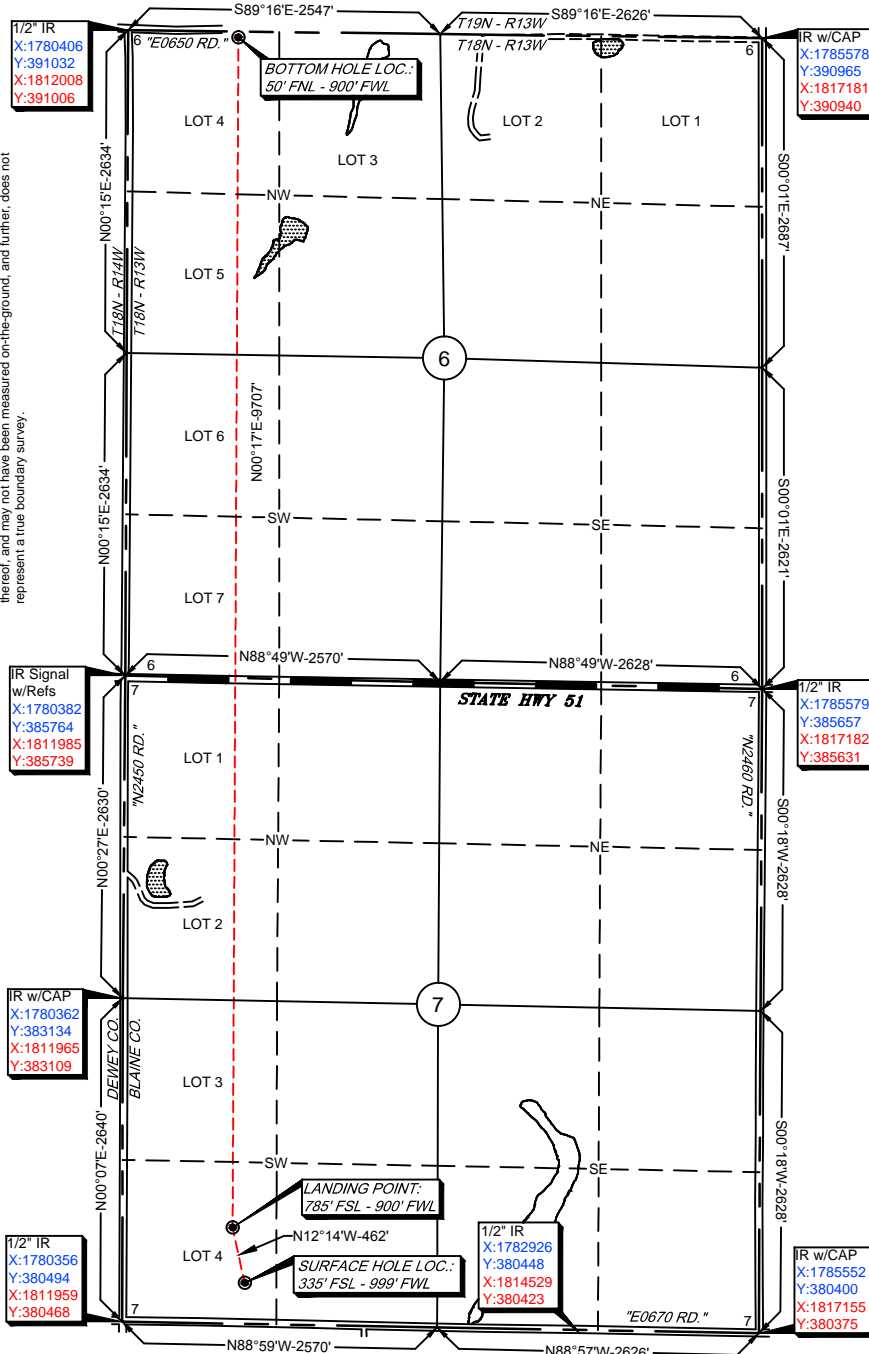
BASIS OF ELEVATION:
 OPUS SOLUTION



All bearings shown
 are grid bearings.



-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.



Surface Hole Loc.:

Lat: 36°02'40.05"N
 Lon: 98°37'58.94"W
 Lat: 36.04445921
 Lon: -98.63303833
 X: 1781356
 Y: 380811

Surface Hole Loc.:

Lat: 36°02'39.91"N
 Lon: 98°37'57.63"W
 Lat: 36.04441861
 Lon: -98.63267561
 X: 1812959
 Y: 380786

Landing Point:

Lat: 36°02'44.52"N
 Lon: 98°38'00.17"W
 Lat: 36.04569871
 Lon: -98.63337952
 X: 1781258
 Y: 381263

Landing Point:

Lat: 36°02'44.37"N
 Lon: 98°37'58.86"W
 Lat: 36.04565814
 Lon: -98.63301679
 X: 1812861
 Y: 381238

Bottom Hole Loc.:

Lat: 36°04'20.51"N
 Lon: 98°38'00.36"W
 Lat: 36.07236502
 Lon: -98.63343337
 X: 1781305
 Y: 390970

Bottom Hole Loc.:

Lat: 36°04'20.37"N
 Lon: 98°37'59.05"W
 Lat: 36.07232495
 Lon: -98.63307072
 X: 1812908
 Y: 390944

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, 2020

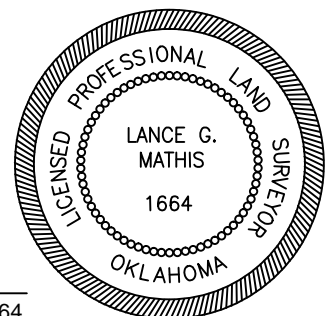
Certification:

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.

Lance G. Mathis
 LANCE G. MATHIS

10/10/19

OK LPLS 1664



Invoice #8461-AB-A

Date Staked: 10/02/19 By: B.A.

Date Drawn: 10/03/19 By: K.M.