

API NUMBER: 043 23767

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

Approval Date: 10/05/2022

Expiration Date: 04/05/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 07 Township: 18N Range: 14W County: DEWEY

SPOT LOCATION: NW NW NW NW
FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 198 295

Lease Name: JONES Well No: 6-2H Well will be 198 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

JAMES JONES, JR & SARAH BETH JONES
PO BOX 463
CANTON OK 73724

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9337

Spacing Orders: 688362

Location Exception Orders: 728146

Increased Density Orders: 727791

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 15651

Ground Elevation: 1915

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 440

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: 22-38624

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: 6	Township: 18N	Range: 14W	Meridian: IM	Total Length: 5036
	County: DEWEY			Measured Total Depth: 15651
Spot Location of End Point: NW	NE	NW	NW	True Vertical Depth: 12000
Feet From: NORTH		1/4 Section Line: 50		End Point Location from
Feet From: WEST		1/4 Section Line: 850		Lease, Unit, or Property Line: 50

Additional Surface Owner(s)	Address	City, State, Zip
WDM, LLC C/O DAVID P. DUNHAM	12925 S. 28TH PLACE	BIXBY, OK 74008

NOTES:

Category	Description
DEEP SURFACE CASING	[10/4/2022 - 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	[10/4/2022 - GC2] - OCC 165:10-3-10 REQUIRES: 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; 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: OCCWEB.COM/OG/OGFORMS.HTML ; AND, 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
INCREASED DENSITY - 727791	[10/5/2022 - G56] - 6-18N-14W X688362 MSSP 1 WELL DERBY EXPLOR, LLC 8/22/2022
INTERMEDIATE CASING	[10/4/2022 - 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
LOCATION EXCEPTION - 728146	[10/5/2022 - G56] - (I.O.) 6-18N-4W X688362 MSSP, OTHER COMPL INT NCT 165' FSL, NCT 165' FNL, NCT 330' FWL DERBY EXPLOR, LLC 9/6/2022
MEMO	[10/4/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 688362	[10/5/2022 - G56] - (640)(HOR) 6-18N-14W VAC 258497 CSTR, MSSSD EST MSSP, OTHER COMPL INT NLT 660' FB