

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

API NUMBER: 017 25419

Approval Date: 03/22/2019

Expiration Date: 09/22/2020

Straight Hole

Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 12N Rge: 6W

County: CANADIAN

SPOT LOCATION:

NE

SW

NW

SE

FEET FROM QUARTER: FROM

SOUTH

FROM

WEST

SECTION LINES:

1810

400

Lease Name: AMERICAN EAGLE SWD

Well No: 1

Well will be 400 feet from nearest unit or lease boundary.

Operator Name: COBALT ENVIRONMENTAL SOLUTIONS LLC

Telephone: 5802799446

OTC/OCC Number: 23434 0

COBALT ENVIRONMENTAL SOLUTIONS LLC  
PO BOX 1266  
ARDMORE, OK 73402-1266

BUTTE LAND INVESTMENTS LLC ETAL  
508 W VANDEMANT AVE, STE 310  
YUKON OK 73099

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

	Name	Depth	Name	Depth
1	WOLFCAMPIAN	3130	6	
2	WABAUNSEE	3900	7	
3	SHAWNEE	4550	8	
4	DOUGLAS	5500	9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6075

Ground Elevation: 1286

Surface Casing: 850

Depth to base of Treatable Water-Bearing FM: 740

Under Federal Jurisdiction: No

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: 5000 Average: 3000

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - SHELL CREEK)

Is depth to top of ground water greater than 10ft below base of pit? Y

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

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: DUNCAN

Notes:

This permit does not address the right of entry or settlement of surface damages.  
The duration of this permit is SIX 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>3/13/2019 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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: <a href="http://OCCWEB.COM/OG/OGFORMS.HTML">OCCWEB.COM/OG/OGFORMS.HTML</a>; AND,</p> <p>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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
SPACING	3/13/2019 - G71 - N/A - DISPOSAL WELL

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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.

017 25419 AMERICAN EAGLE SWD 1