API NUMBER: 087 22177 A

Straight Hole Disposal

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

Approval Date: 01/28/2020
Expiration Date: 07/28/2021

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 7N Rge: 4W County: MCCLAIN

SPOT LOCATION: SE SE SE SE FEET FROM QUARTER: FROM **SOUTH** FROM **EAST**
SECTION LINES: **200** **200**

Lease Name: HYDRA SWD **Well No: 1** **Well will be 200 feet from nearest unit or lease boundary.**

Operator Name: **LAGOON WATER LOGISTICS LLC** Telephone: 4059006900 OTC/OCC Number: 24110 0

LAGOON WATER LOGISTICS LLC
101 N ROBINSON AVE STE 400
OKLAHOMA CITY, OK 73102-5502

KURTIS T. OLEKSUK
12219 180TH STREET
LINDSEY OK 73052

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

	Name	Depth		Name	Depth
1	PENNSYLVANIAN	3850	6		
2	SIMPSON	11300	7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing
Location Exception Orders:
Increased Density Orders:

Pending CD Numbers:
Special Orders:

Total Depth: 13000 Ground Elevation: 0 **Surface Casing: 500** Depth to base of Treatable Water-Bearing FM: 290

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 5000 Average: 3000
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: 1B
Liner required for Category: 1B
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

Notes:

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.

Category	Description
HYDRAULIC FRACTURING	9/4/2018 - 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
SPACING	9/4/2018 - 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.