

API NUMBER: 109 22505

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

Approval Date: 05/24/2021
Expiration Date: 11/24/2022

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 32 Township: 11N Range: 2W County: OKLAHOMA

SPOT LOCATION: ☐ NE ☐ SE ☐ NW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1793 1193

Lease Name: SALSMAN Well No: 2 Well will be 847 feet from nearest unit or lease boundary.

Operator Name: STEPHENS & JOHNSON OPERATING CO Telephone: 9407232166; 9407165376 OTC/OCC Number: 19113 0

STEPHENS & JOHNSON OPERATING CO
PO BOX 2249
WICHITA FALLS, TX 76307-2249

SJOC LAND LLC
PO BOX 2249
WICHITA FALLS TX 76307

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

	Name	Code	Depth
1	PRUE	404PRUE	6162
2	2ND WILCOX	202WLCX2	6312
3	TULIP CREEK	202TPCK	6528
4	MCLISH	202MCLS	6659
5	OIL CREEK	202OLCK	6936

Spacing Orders: 341747
359606

Location Exception Orders: 718389

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 7000

Ground Elevation: 1272

Surface Casing: 1100

Depth to base of Treatable Water-Bearing FM: 1030

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

Approved Method for disposal of Drilling Fluids:

E. Haul to Commercial pit facility Sec. 24 Twn. 8N Rng. 8W Cnty. 51 Order No: 393756

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: KINGMAN

DIRECTIONAL HOLE 1

Section: 32 Township: 11N Range: 2W Meridian: IM
County: OKLAHOMA

Measured Total Depth: 7000

Spot Location of End Point: E2 SW SE NW

True Vertical Depth: 7000

Feet From: SOUTH 1/4 Section Line: 330

End Point Location from
Lease, Unit, or Property Line: 330

Feet From: WEST 1/4 Section Line: 1755

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	<p>[5/18/2021 - 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: OCCWEB.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>
LOCATION EXCEPTION - 718389 (202100722)	<p>[5/24/2021 - GB6] - (E.O.) NW4 32-11N-2W X359606 WLCX2, TPCK, MCLS, OLCK X341747 PRUE SHL 1795' FSL, 1190' FWL 32-11N-2W COMPL. INT. NCT 330' FSL, NCT 330' FEL, NCT 330' FWL NW4 32-11N-2W BHL NCT 330' FSL, NCT 330' FEL, NCT 330' FWL NW4 32-11N-2W STEPHENS & JOHNSON OPERATING CO. 05/17/2021</p>
MEMO	<p>[5/18/2021 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
SPACING - 341747	<p>[5/24/2021 - GB6] - (160) NW4 32-11N-2W EXT OTHER REFORM 319801 PRUE, OTHERS TO 160-ACRE UNITS EST OTHERS</p>
SPACING - 359606	<p>[5/24/2021 - GB6] - (160) NW4 32-11N-2W REFORM 319801 SMPSD, WLCX1, WLCX2 TO 160-ACRE UNITS EST TPCK, MCLS, OLCK, OTHERS</p>



SCALE: 1" = 1000'
0' 500' 1000'

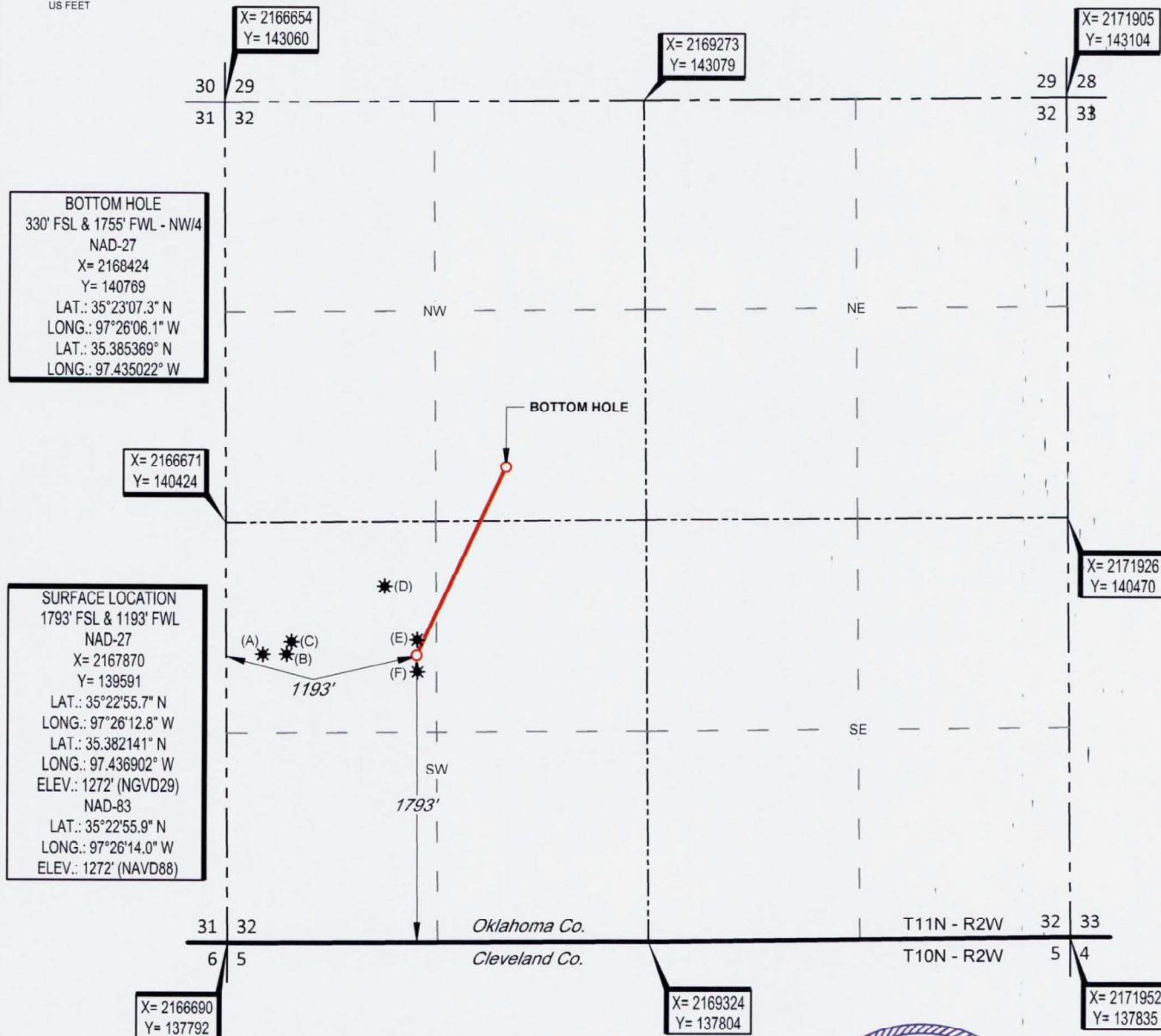
GRID
NAD-27
OK NORTH
US FEET

WELL LOCATION

SALSMAN NO. 2
STEPHENS & JOHNSON OPERATING CO.
SECTION 32, TOWNSHIP 11N, RANGE 2W, I.M.
OKLAHOMA COUNTY, OKLAHOMA

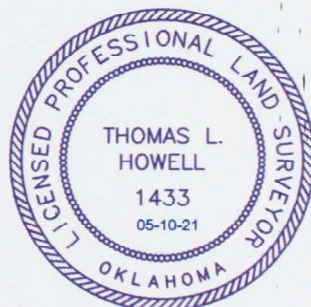
LEGEND

- SECTION LINE
- COUNTY LINE
- TOWNSHIP LINE
- QUARTER SECTION LINE
- 16TH LINE
- PROPOSED WELL BORE
- * GAS/OIL WELL



SURVEYOR'S CERTIFICATE:

I, THOMAS L. HOWELL, AN OKLAHOMA LICENSED LAND SURVEYOR AND AN AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, DO HEREBY CERTIFY TO THE INFORMATION SHOWN HEREIN.



Thomas L. Howell



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0' 500' 1000'

WELL LOCATION

SALSMAN NO. 2
STEPHENS & JOHNSON OPERATING CO.
SECTION 32, TOWNSHIP 11N, RANGE 2W, I.M.
OKLAHOMA COUNTY, OKLAHOMA

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EXISTING WELLS

- (A) OKC SO WILCOX UNIT NO. 18-28
- (B) OKC SO WILCOX UNIT NO. 19-10
- (C) SIGMON #16
- (D) SIGMON #9
- (E) SIGMON A #15
- (F) OKC SO WILCOX UNIT NO. 19-12

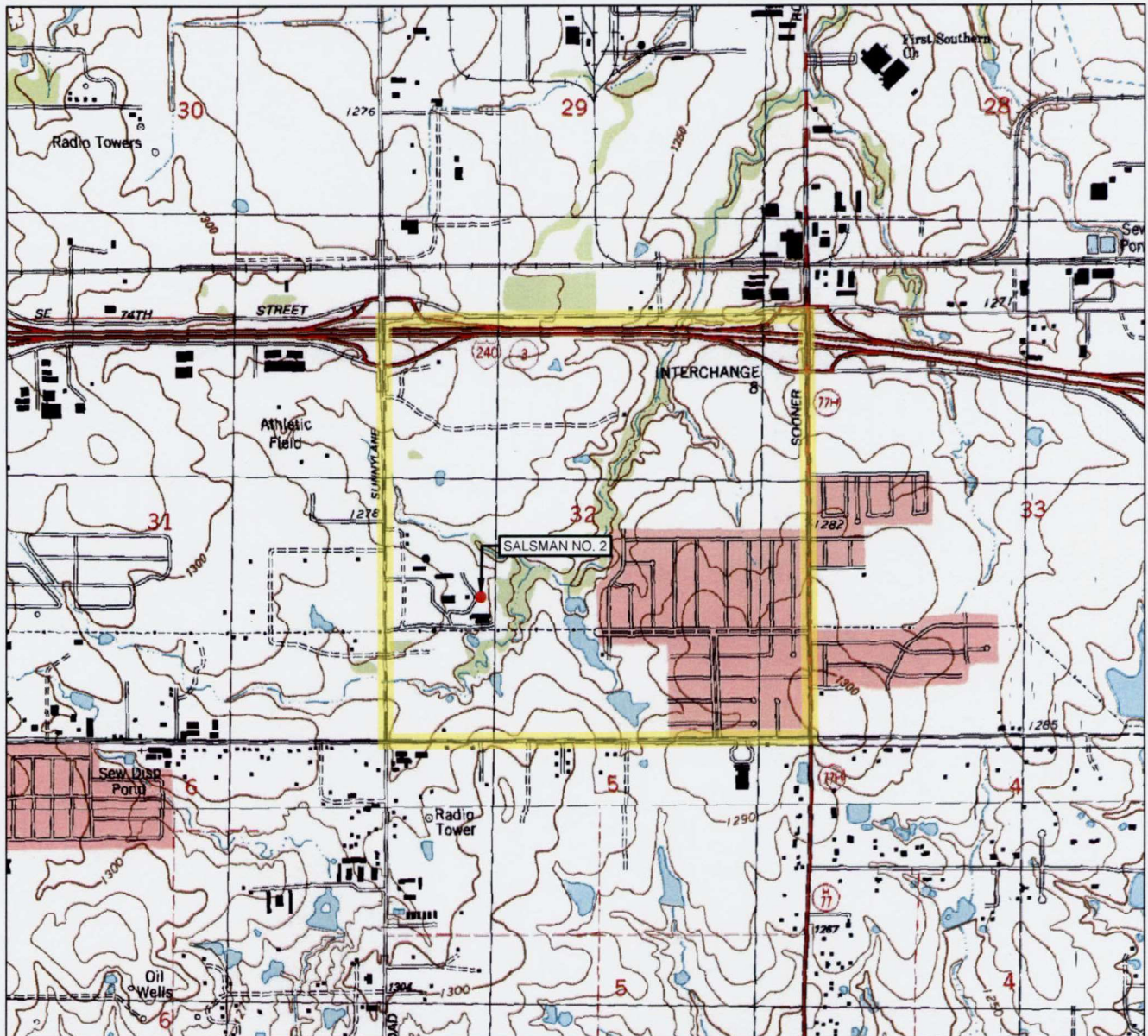
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LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO. SALSMAN NO. 2

SECTION 32 TWP 11N RGE 2W MERIDIAN I.M.

COUNTY OKLAHOMA STATE OKLAHOMA

DESCRIPTION 1793' FSL & 1193' FWL

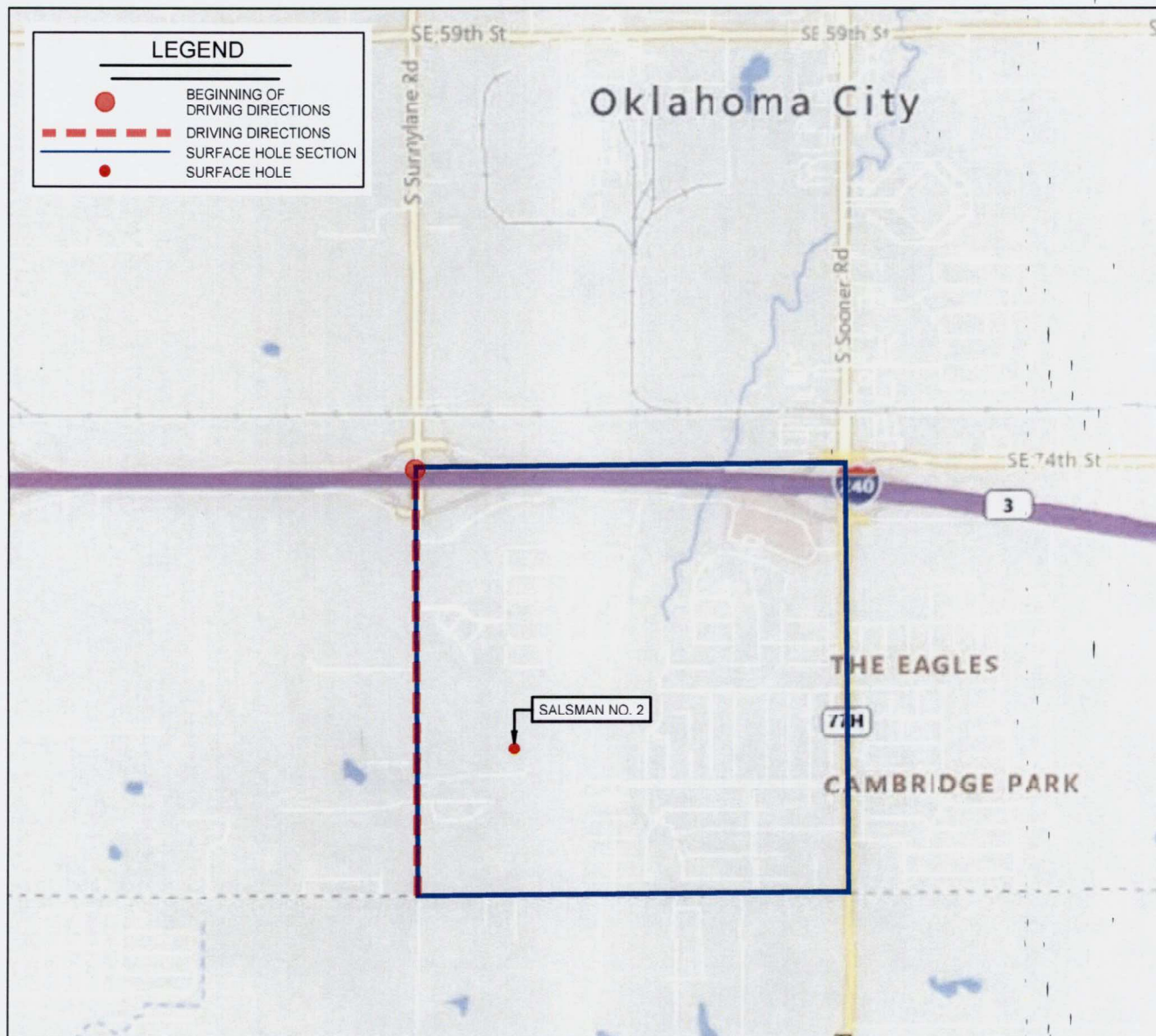
ELEVATION 1272' (NGVD29)

1272' (NAVD88)



SCALE: 1" = 2000'

VICINITY MAP



LEASE NAME & WELL NO. SALSMAN NO. 2

SECTION 32 TWP 11N RGE 2W MERIDIAN I.M.

COUNTY OKLAHOMA STATE OKLAHOMA

DESCRIPTION 1793' FSL & 1193' FWL

DISTANCE & DIRECTION

FROM THE JUNCTION OF I-240 & SUNNYLANE RD. GO ± 0.8 MI. SOUTH
TO THE SOUTHWEST CORNER OF SECTION 32-T11N-R2W.



SCALE: 1" = 2000'