

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

API NUMBER: 133 25342

Approval Date: 06/18/2019

Expiration Date: 12/18/2020

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 9N Rge: 5E

County: SEMINOLE

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 660 330

Lease Name: ELLIOTT

Well No: 3

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: CUESTA PETROLEUM INC

Telephone: 4058780744

OTC/OCC Number: 14397 0

CUESTA PETROLEUM INC

23 E 9TH ST STE 403

SHAWNEE, OK 74801-6963

CHRISTOPHER AND SASSY LINDLEY

35290 EW 120

EARLSBORO OK 74840

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

| | Name | Depth | | Name | Depth |
|---|--------------|-------|----|------------------|-------|
| 1 | CALVIN | 2725 | 6 | VIOLA | 4120 |
| 2 | SENORA | 3200 | 7 | SIMPSON DOLOMITE | 4190 |
| 3 | THURMAN | 3300 | 8 | 1ST WILCOX | 4220 |
| 4 | BARTLESVILLE | 3460 | 9 | 2ND WILCOX | 4290 |
| 5 | GILCREASE | 3600 | 10 | | |

Spacing Orders: 618010

Location Exception Orders: 696420

Increased Density Orders: 693399

Pending CD Numbers:

Special Orders:

Total Depth: 4350

Ground Elevation: 1000

Surface Casing: 1200

Depth to base of Treatable Water-Bearing FM: 1100

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: 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: VANOSS

E. Haul to Commercial pit facility: Sec. 19 Twn. 8N Rng. 5E Cnty. 125 Order No: 274874

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

133 25342 ELLIOTT 3

| Category | Description |
|-----------------------------|---|
| HYDRAULIC FRACTURING | <p>5/31/2019 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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: FRACFOCUS.ORG</p> |
| INCREASED DENSITY - 693399 | <p>6/18/2019 - G56 - NW4 12-9N-5E X618010 WLCX1 1 WELL CUESTA PETRO., INC. 3/25/2019</p> |
| LOCATION EXCEPTION - 696420 | <p>6/18/2019 - G56 - (F.O.) NW4 12-9N-5E X618010 CLVN, SNOR, TRMN, BRVL, GLCR, VIOL, SMPSD, WLCX1, WLCX2, OTHERS COMPL INT 330' FWL, 660' FNL CUESTA PETRO., INC. 5/21/2019</p> |
| SPACING - 618010 | <p>6/18/2019 - G56 - (160) NW4 12-9N-5E AMD/REFORM 121628 VIOL, WLCX1, WLCX2 EST CLVN, SNOR, TRMN, BRVL, GLCR, SMPSD, OTHERS</p> |