

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

API NUMBER: 107 23611

Approval Date: 02/21/2019

Expiration Date: 08/21/2020

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 12N Rge: 8E

County: OKFUSKEE

SPOT LOCATION: ☐ NE ☐ SW ☐ SE ☐ NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 585 1830

Lease Name: ERDMAN

Well No: 2-22

Well will be 510 feet from nearest unit or lease boundary.

Operator Name: SPESS OIL COMPANY INC

Telephone: 9183585831; 9183585

OTC/OCC Number: 2057 0

SPESS OIL COMPANY INC  
200 S BROADWAY ST  
CLEVELAND, OK 74020-4617

JAMES & PAULA ERDMAN  
ROUTE 1, BOX 28-A  
BOLEY OK 74829

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

|   | Name                  | Depth | Name | Depth |
|---|-----------------------|-------|------|-------|
| 1 | SKINNER               | 2600  | 6    |       |
| 2 | RED FORK              | 2820  | 7    |       |
| 3 | BOOCH                 | 3100  | 8    |       |
| 4 | GILCREASE             | 3500  | 9    |       |
| 5 | UNION VALLEY-CROMWELL | 3650  | 10   |       |

Spacing Orders: 661440  
266995  
192367

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3700

Ground Elevation: 860

**Surface Casing: 740**

Depth to base of Treatable Water-Bearing FM: 690

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: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

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: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

H. MIN. 20-MIL PIT LINER REQUIRED

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>1/11/2019 - 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://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.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 - 192367     | <p>2/21/2019 - G75 - (40) 22-12N-8E<br/> VAC OTHER<br/> EXT OTHERS<br/> EXT 129186 BOCH, GLCR W2</p>  |
| SPACING - 266995     | <p>2/21/2019 - G75 - (40) NW4 22-12N-8E<br/> EST OTHER<br/> EXT OTHERS<br/> EXT 200170 SKNR, RDFK, OTHERS</p>   |
| SPACING - 661440     | <p>2/21/2019 - G75 - (40) W2 22-12N-8E<br/> VAC 597606 UVCM, OTHER<br/> EST UVCM, OTHER</p>   |
| WELL NUMBER          | <p>2/21/2019 - G75 - 2-22 PER OPERATOR</p>  |