

API NUMBER: 043 23718

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

Approval Date: 10/30/2020  
Expiration Date: 04/30/2022

Multi Unit Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 07 Township: 18N Range: 15W County: DEWEY

SPOT LOCATION: ☐ SW ☐ SE ☐ SW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 2440 730

Lease Name: CASHEW 765 Well No: 1H Well will be 730 feet from nearest unit or lease boundary.

Operator Name: KAISER-FRANCIS OIL COMPANY Telephone: 9184940000 OTC/OCC Number: 6390 0

KAISER-FRANCIS OIL COMPANY  
6733 S YALE AVE  
TULSA, OK 74121-1468

JOHNSON & HAYES, LLC  
% SANDRA JOHNSON MANAGER  
12904 GRUBSTAKE GULCH  
BEE CAVE TX 78738

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

Name	Code	Depth
1 RED FORK	404RDFK	8600

Spacing Orders: 709322 Location Exception Orders: 715109 Increased Density Orders: 715112  
715107  
715108  
715110

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special Orders

Total Depth: 17500 Ground Elevation: 1860

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 220

Deep surface casing has been approved

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 20-37441  
H. (Other) SEE MEMO

**PIT 1 INFORMATION**

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

**PIT 2 INFORMATION**

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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.

## MULTI UNIT HOLE 1

Section: 5	Township: 18N	Range: 15W	Meridian: IM	Total Length: 8839
County: DEWEY				Measured Total Depth: 17500
Spot Location of End Point: NW	NE	SE	NW	True Vertical Depth: 8660
Feet From: <b>NORTH</b>	1/4 Section Line: 1590		End Point Location from	
Feet From: <b>WEST</b>	1/4 Section Line: 2155		Lease, Unit, or Property Line: 1590	

## NOTES:

Category	Description
DEEP SURFACE CASING	[10/29/2020 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	<p>[10/29/2020 - 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: <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 IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
INCREASED DENSITY – 715112 (202001304)	<p>[10/30/2020 - GB6] - (E.O.) 7-18N-15W X219987 RDFK X220652 RDFK 1 WELL KAISER FRANCIS OIL COMPANY OPERATOR ALLOWED TO DRILL COMPLETE AND TEST. OPERATOR NOT ALLOWED TO PRODUCE PURSUANT TO THIS EMERGENCY ORDER. REC. 10/26/2020 (MOORE)</p>
INTERMEDIATE CASING	[10/29/2020 - GC2] - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION – 715109 (202001215)	<p>[10/30/2020 - GB6] - (E.O.) W2 &amp; NE4 5, S2 &amp; NE4 6, 7 -18N-15W X709322 RDFK (W2 &amp; NE4 5-18N-15W) X715108 RDFK (S2 &amp; NE4 6-18N-15W) X715107 RDFK (7-18N-15W) COMPL. INT. (5-18N-15W) NCT 660' FNL, NCT 660' FSL, NCT 0' FWL COMPL. INT. (6-18N-15W) NCT 660' FNL, NCT 0' FSL, NCT 0' FEL COMPL. INT. (7-18N-15W) NCT 0' FNL, NCT 1320' FSL, NCT 330' FEL, NCT 1320' FWL NO OPER. NAMED OPERATOR ALLOWED TO DRILL COMPLETE AND TEST. OPERATOR NOT ALLOWED TO PRODUCE PURSUANT TO THIS EMERGENCY ORDER. REC. 10/26/2020 (MOORE)</p>
MEMO	[10/29/2020 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING – 709322	<p>[10/30/2020 - GB6] - (480)(HOR) W2 &amp; NE4 5-18N-15W EST RDFK POE TO BHL NCT 660' FB (COEXIST SP. ORDER #172783 CHRK)</p>
SPACING – 715107 (202001213)	<p>[10/30/2020 - GB6] - (E.O.) (640)(HOR) 7-18N-15W EXT 699854 RDFK COMPL. INT. NCT 660' FB (COEXIST SP. ORDER #219987, SP. ORDER #220652) REC. 10/26/2020 (MOORE)</p>
SPACING – 715108 (202001214)	<p>[10/30/2020 - GB6] - (E.O.) (480)(HOR) S2 &amp; NE4 6-18N-15W EST RDFK COMPL. INT. NCT 660' FB REC. 10/26/2020 (MOORE)</p>

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.

SPACING – 715110 (202001242)

[10/30/2020 - GB6] - (E.O.) W2 & NE4 5, S2 & NE4 6, 7 -18N-15W

EST MULTIUNIT HORIZONTAL WELL

X709322 RDFK W2 & NE4 5-18N-15W

X715108 RDFK S2 & NE4 6-18N-15W

X715107 RDFK 7-18N-15W

33.3% 5-18N-15W

33.3% 6-18N-15W

33.3% 7-18N-15W

KAISER FRANCIS OIL COMPANY

OPERATOR ALLOWED TO DRILL COMPLETE AND TEST. OPERATOR NOT ALLOWED TO  
PRODUCE PURSUANT TO THIS EMERGENCY ORDER.

REC. 10/26/2020 (MOORE)

