

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

API NUMBER: 141 20525 A

Approval Date: 11/08/2019  
Expiration Date: 05/08/2021

Straight Hole Oil & Gas

Amend reason: WELL NAME AND LAND OWNER CHANGE

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 3S Rge: 18W County: TILLMAN  
SPOT LOCATION: ☐ NE ☐ SW ☐ SW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 2290 350

Lease Name: COUGER Well No: 1 Well will be 350 feet from nearest unit or lease boundary.  
Operator Name: AC OPERATING COMPANY LLC Telephone: 7138819030 OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC  
952 ECHO LN STE 390  
HOUSTON, TX 77024-2851

GORDON C COUGER JR  
624 W CHEYENNE  
STILLWATER OK 74075-

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

	Name	Depth		Name	Depth
1	CANYON	3430	6	MISSISSIPPIAN	5270
2	STRAWN A	4800	7		
3	STRAWN B	4900	8		
4	STRAWN C	5050	9		
5	STRAWN D	5150	10		

Spacing Orders: 212208

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6000 Ground Elevation: 1276 Surface Casing: 200 Depth to base of Treatable Water-Bearing FM: 110

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: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

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>10/25/2019 - GC2 - 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://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 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 - 212208	<p>11/8/2019 - G56 - (40) NW4 8-3S-18W</p> <p>EST CNYN, MSSP</p> <p>EXT 36381 STRNA, STRNB, STRNC, STRND</p>