API NUMBER: 137 27584

Straight Hole Oil & Gas

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

Approval Date: 10/11/2019
Expiration Date: 04/11/2021

PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 1S Rge: 4W County: STEPHENS

SPOT LOCATION: SE SE NW SE FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **1625** **1280**

Lease Name: SCHOCK SIMS UNIT **Well No: 19-1** **Well will be 965 feet from nearest unit or lease boundary.**

Operator Name: **JONES L E OPERATING INC** Telephone: 5802551191 OTC/OCC Number: 19169 0

JONES L E OPERATING INC
PO BOX 1185
DUNCAN, OK 73534-1185

LAWAYNE JONES
P.O. BOX 1185
DUNCAN OK 73534

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

	Name	Depth		Name	Depth
1	SIMS 2	6665	6		
2	SIMS 3	6785	7		
3			8		
4			9		
5			10		

Spacing Orders: 447734 Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 7200 Ground Elevation: 1065 **Surface Casing: 850** Depth to base of Treatable Water-Bearing FM: 800

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 3500 Average: 2500
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: 2
Liner not required for Category: 2
Pit Location is BED AQUIFER
Pit Location Formation: GARBER

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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	9/19/2019 - G71 - OCC 165:10-3-10 REQUIRES: 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; 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, 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
SPACING - 447734	10/11/2019 - GB6 - (UNIT) S34 36-1S-4W EST SCHOCK SIMS UNIT FOR THE SIMS2 AND SIMS3

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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.