

API NUMBER: 051 25014 A

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

Approval Date: 03/02/2023  
Expiration Date: 09/02/2024

Horizontal Hole Oil & Gas

Amend reason: UPDATE SURFACE CASING

**AMEND PERMIT TO DRILL**

WELL LOCATION: Section: 13 Township: 7N Range: 5W County: GRADY

SPOT LOCATION:     FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 293 2600

Lease Name: SCOUT 07-05-13 Well No: 1H Well will be 293 feet from nearest unit or lease boundary.  
Operator Name: STAGHORN PETROLEUM II LLC Telephone: 9185842558 OTC/OCC Number: 24056 0

STAGHORN PETROLEUM II LLC  
1 W 3RD ST STE 1000  
TULSA, OK 74103-3500

GARY J. ESTES AND PAMELA ESTES  
PO BOX 629  
BLANCHARD OK 73010

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

Name	Code	Depth
1 OSBORN	404OSBR	10172

Spacing Orders: 72226

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202300420  
202300736

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

Special Orders: No Special

Total Depth: 15161 Ground Elevation: 1311

Surface Casing: 520

Depth to base of Treatable Water-Bearing FM: 470

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 23-38900  
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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C  
Pit Location is: NON HSA  
Pit Location Formation: CHICKASHA

**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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C  
Pit Location is: NON HSA  
Pit Location Formation: CHICKASHA

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.

# HORIZONTAL HOLE 1

Section: 13      Township: 7N      Range: 5W      Meridian: IM      Total Length: 4700  
                          County: GRADY      Measured Total Depth: 15161  
 Spot Location of End Point: W2      SE      SW      SE      True Vertical Depth: 10188  
                          Feet From: **SOUTH**      1/4 Section Line: 330      End Point Location from  
                          Feet From: **EAST**      1/4 Section Line: 1900      Lease,Unit, or Property Line: 330

## NOTES:

Category	Description
HYDRAULIC FRACTURING	<p>[2/24/2023 - GB1] - 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 FRACTURING OPERATIONS. FORM 6000NH SHALL BE FOUND HERE: <a href="https://oklahoma.gov/occ/divisions/oil-gas/ogcd-forms">HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS</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>
MEMO	[2/24/2023 - GB1] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202300420	<p>[3/1/2023 - G56] - (I.O.) 13-7N-5W            X72226 OSBR            COMPL INT NCT 330' FNL, NCT 330' FSL, NCT 660' FEL            NO OP NAMED            REC 2/22/2023 (BEESE)</p>
PENDING CD - 202300736	<p>[3/1/2023 - G56] - 13-7N-5W            X72226 OSBR            1 WELL            NO OP NAMED            HEARING 3/20/2023</p>
SPACING - 72226	[3/1/2023 - G56] - (640) 13-7N-5W EST OSBR