

API NUMBER: 051 25014

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

PERMIT TO DRILL

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

SPOT LOCATION: ☐ NE ☐ NE ☐ NE ☐ NW 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: 1500

Depth to base of Treatable Water-Bearing FM: 470

Deep surface casing has been approved

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: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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 FRACFOCUS.ORG</p>
MEMO	[2/24/2023 - GB1] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202300420	[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)
PENDING CD - 202300736	[3/1/2023 - G56] - 13-7N-5W X72226 OSBR 1 WELL NO OP NAMED HEARING 3/20/2023
SPACING - 72226	[3/1/2023 - G56] - (640) 13-7N-5W EST OSBR