

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

API NUMBER: 121 24876

Approval Date: 08/24/2021

Expiration Date: 02/24/2023

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 14 Township: 7N Range: 13E County: PITTSBURG

SPOT LOCATION: NW NW NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 233 2388

Lease Name: WADLEY Well No: 1-14/23H Well will be 233 feet from nearest unit or lease boundary.

Operator Name: SANGUINE GAS EXPLORATION LLC Telephone: 9184964794 OTC/OCC Number: 21381 0

SANGUINE GAS EXPLORATION LLC
110 W 7TH ST STE 2700
TULSA, OK 74119-1199

CANAAN RESOURCES, LLC; C/O DAVID R. PAYNE
119 N. ROBINSON, STE. 400
OKLAHOMA CITY OK 73102

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	5200
2 WOODFORD	319WDFD	5700
3 SYLVAN	203SLVN	5800

Spacing Orders: 716074

Location Exception Orders: 716281

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 16600

Ground Elevation: 744

Surface Casing: 90

Depth to base of Treatable Water-Bearing FM: 40

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

Approved Method for disposal of Drilling Fluids:	
F. Haul to Commercial soil farming facility	Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 653875
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: BED AQUIFER

Pit Location Formation: THURMAN

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: BED AQUIFER

Pit Location Formation: THURMAN

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: 23	Township: 7N	Range: 13E	Meridian: IM	Total Length: 10238	
	County: PITTSBURG			Measured Total Depth: 16600	
Spot Location of End Point:	SE	SE	SW	SW	True Vertical Depth: 6200
Feet From: SOUTH		1/4 Section Line:	165	End Point Location from	
Feet From: WEST		1/4 Section Line:	1200	Lease,Unit, or Property Line:	165

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[8/18/2021 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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>
LOCATION EXCEPTION - 716281	<p>[8/24/2021 - G56] - (I.O.) 14 & 23-7N-13E X716074 MSSP, WDFD, SLVN COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 660' FWL SANGUINE GAS EXPLORATION, LLC 1/8/2021</p>
MEMO	<p>[8/18/2021 - GC2] - OBM=CLOSED SYSTEM=STEEL PITS. OBM RETURNED TO VENDOR; CUTTINGS PERMITTED PER CONSERVATION DIVISION DISTRICT VIA FORM 1014X.</p>
SPACING - 716074	<p>[8/24/2021 - G56] - (1280)(HOR) 14 & 23-7N-13E EST MSSP, WDFD, SLVN POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL POE TO BHL (SLVN) NCT 330' FB</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.



Well Location Plat

S.H.L. Sec. 14-7N-13E I.M.
B.H.L. Sec. 23-7N-13E I.M.

Operator: SANGUINE GAS EXPLORATION, LLC

Lease Name and No.: WADLEY 1-14/23H OPT2

Surface Hole Location: 233' FNL - 2388' FEL Gr. Elevation: 744'

NW/4-NW/4-NW/4-NE/4 Section: 14 Township: 7N Range: 13E I.M.

Bottom Hole Location: 165' FSL - 1200' FWL

SE/4-SE/4-SW/4-SW/4 Section: 23 Township: 7N Range: 13E I.M.

County: Pittsburg State of Oklahoma

Terrain at Loc.: Location fell in mostly open pasture.



All bearings shown are grid bearings.



1" = 1320'

GPS DATUM
NAD 83
NAD 27
OK SOUTH ZONE

Surface Hole Loc.:
Lat: 35°05'11.53"N
Lon: 95°54'11.38"W
Lat: 35.08653571
Lon: -95.90316225
X: 2595782
Y: 644556

Surface Hole Loc.:
Lat: 35°05'11.18"N
Lon: 95°54'10.39"W
Lat: 35.08644020
Lon: -95.90288735
X: 2627380
Y: 644505

Landing Point:
Lat: 35°05'12.28"N
Lon: 95°54'31.70"W
Lat: 35.08674547
Lon: -95.90880484
X: 2594093
Y: 644598

Landing Point:
Lat: 35°05'11.94"N
Lon: 95°54'30.71"W
Lat: 35.08665002
Lon: -95.90852976
X: 2625691
Y: 644547

Bottom Hole Loc.:
Lat: 35°03'31.00"N
Lon: 95°54'31.66"W
Lat: 35.05861048
Lon: -95.90879355
X: 2594309
Y: 634360

Bottom Hole Loc.:
Lat: 35°03'30.66"N
Lon: 95°54'30.67"W
Lat: 35.05851553
Lon: -95.90851859
X: 2625906
Y: 634309



-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.
-Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2022

Invoice #9187-A
Date Staked: 11/25/2020 By: H.S.
Date Drawn: 12/02/2020 By: J.K.
Revise SHL: 08/11/2021 By: S.S.
Add Elev.: 08/17/2021 By: R.M.

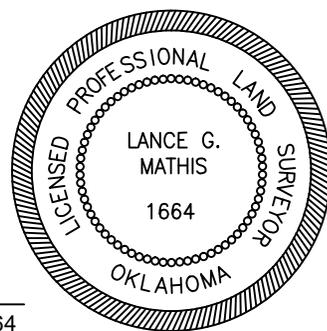
Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

LANCE G. MATHIS

08/17/2021

OK LPLS 1664





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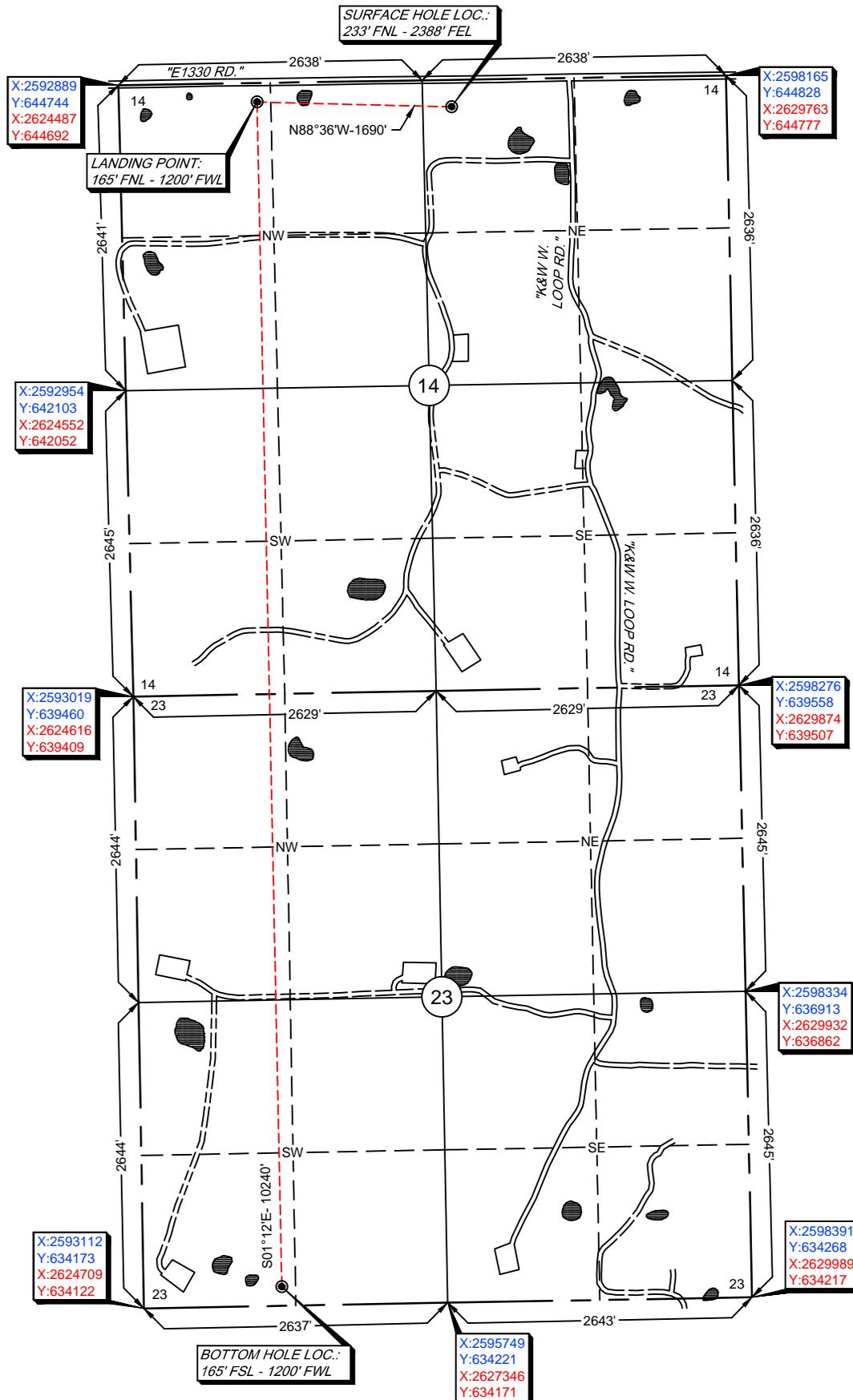
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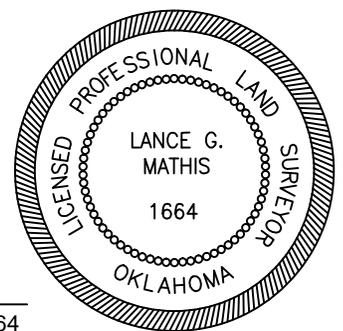
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08/17/2021

OK LPLS 1664



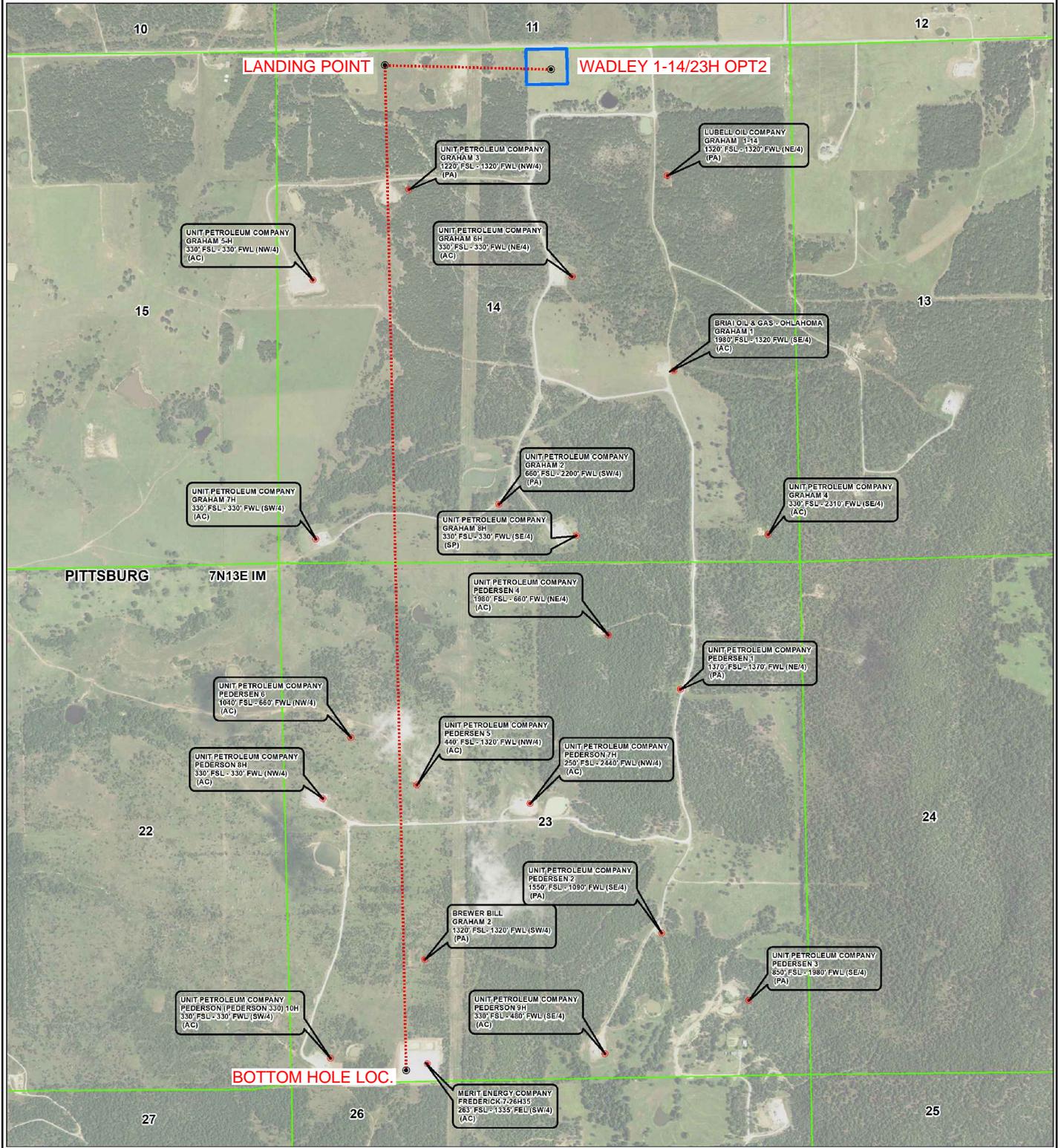
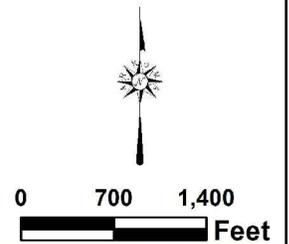


Anti-Collision

Sec. 14 & 23-7N-13E I.M.

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 County: Pittsburg State of Oklahoma

● SHL	▭ Counties
● LP & BHL	▭ Township-Range
⋯ Bore Path	▭ Sections
▭ Pad	
● OCC Wells	





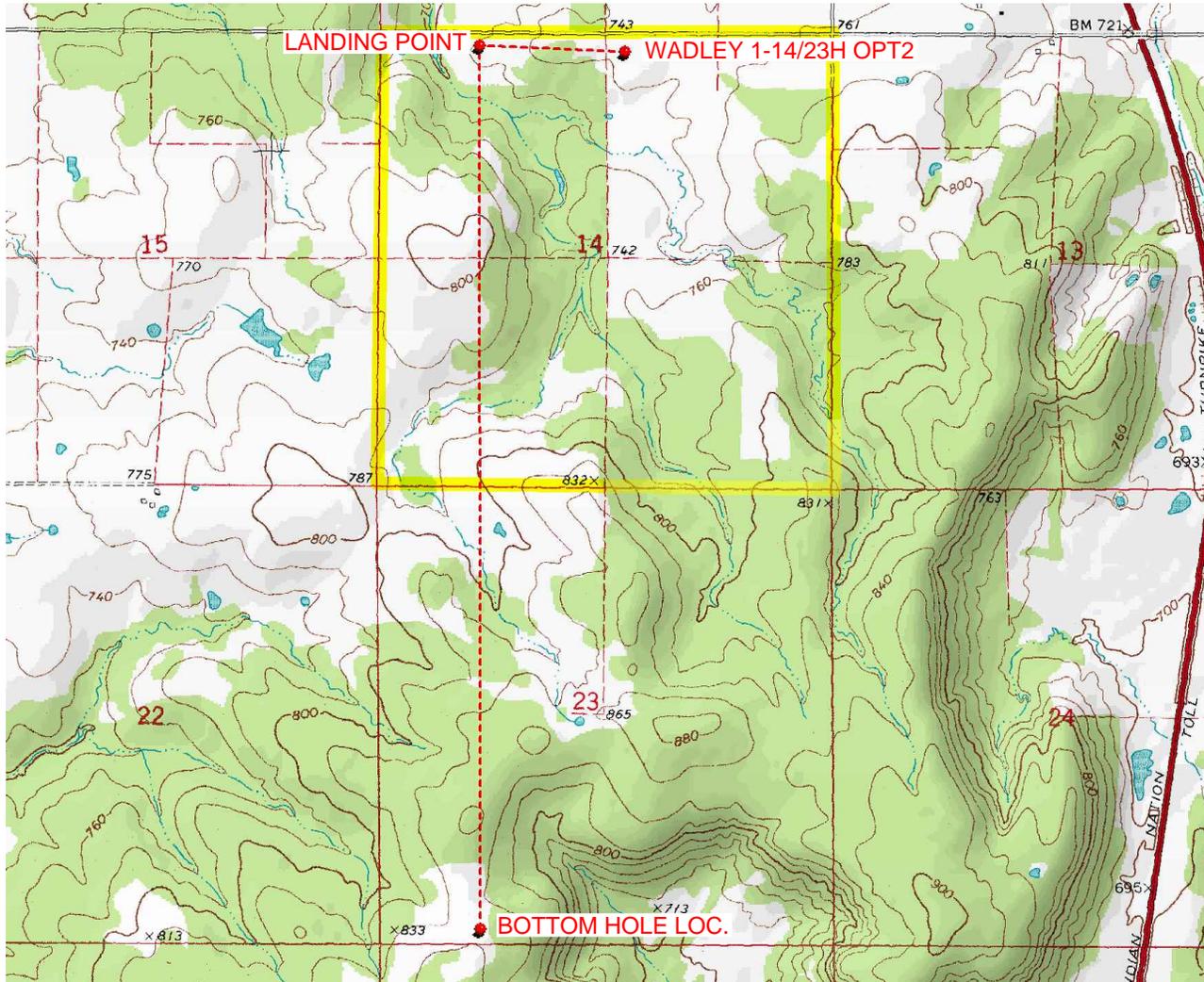
Topographic Vicinity Map

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 Sec. 23 Twp. 7N Rng. 13E I.M.
 County: Pittsburg State of Oklahoma



Scale 1" = 2000'
 Contour Interval: 20'

Ground Elevation at Surface Hole Location: 744'



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Date Staked: 11/25/2020

The purpose of this map is to verify the location and elevation as staked on the ground and to show the surrounding Topographic features. The footage shown hereon is only as SCALED onto a U.S.G.S. Topographic Map.

Please note that this location was staked carefully on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed.

Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined.

County Highway Vicinity Map

Job #: 9187-A-OPT2

Operator: SANGUINE GAS EXPLORATION, LLC

Lease Name and No.: WADLEY 1-14/23H OPT2

Accessibility: From the North

Directions: From the junction of "N3965 RD. & "E1350 Rd."
In the town of Scipio, OK. Go 1.5 miles East on "E1350 Rd. to "S. Clearlake Rd." then go North 2 miles to "E. Clearlake Rd." then go East 1.5 miles to the Northeast Quarter of Section 14-7N-13E on the South Side of the Road.



1 inch = 0.5 mile

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12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	
24	19	20	21	22	23	24	
25	30	29	28	27	26	25	
36	31	32	33	34	35	36	

