

API NUMBER: 137 27622 A

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

Approval Date: 03/27/2023

Expiration Date: 09/27/2024

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 17 Township: 3S Range: 4W County: STEPHENS

SPOT LOCATION: SW SW SW NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 190 283

Lease Name: GRACIE Well No: 3-17 Well will be 190 feet from nearest unit or lease boundary.

Operator Name: HMD OIL COMPANY INC Telephone: 5804651687 OTC/OCC Number: 22925 0

HMD OIL COMPANY INC
224-B N ROCKFORD RD
ARDMORE, OK 73401-2542

VERNON DUNN
HCR 64 BOX 2250
LOCO OK 73442

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

	Name	Code	Depth
1	PERMIAN	459PRMN	500
2	HOXBAR	405HXBR	1000
3	DEESE	404DEESS	1500
4	ARBUCKLE	169ABCK	2000

Spacing Orders: 586558
630864

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202300960

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 2499 Ground Elevation: 959

Surface Casing: 280

Depth to base of Treatable Water-Bearing FM: 220

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

Approved Method for disposal of Drilling Fluids:
A. Evaporation/dewater and backfilling of reserve pit.

PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 2

Liner not required for Category: 2

Pit Location is: BED AQUIFER

Pit Location Formation: GARBER

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>[3/23/2023 - 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 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>
PENDING CD - 202300960	<p>[3/27/2023 - GB1] - (I.O.) NW4 17-3S-4W X586558 PRMN, HXBR, ABCK X630864 DEESS SHL NCT 165' FSL, NCT 165' FWL NO OP NAMED REC 3/27/2023 (DENTON)</p>
SPACING - 586558	<p>[3/26/2021 - GB1] - (160) W2 17-3S-4W EST PRMN EXT 349645 HXBR EXT 543697 ABCK</p>
SPACING - 630864	<p>[3/26/2021 - GB1] - (160) W2 17-3S-4W EXT 100885 DEESS</p>