

API NUMBER: 121 24912

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

Approval Date: 08/08/2022

Expiration Date: 02/08/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

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

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 222 1784

Lease Name: WADLEY NORTH Well No: 1-11/2H Well will be 222 feet from nearest unit or lease boundary.

Operator Name: SANGUINE GAS EXPLORATION LLC Telephone: 9184946070 OTC/OCC Number: 21381 0

SANGUINE GAS EXPLORATION LLC

TULSA, OK 74119-1199

SANGUINE GAS EXPLORATION, LLC

110 W. 7TH ST., STE. 2700

TULSA OK 74119

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

| | Name | Code | Depth |
|---|---------------|---------|-------|
| 1 | MISSISSIPPIAN | 359MSSP | 5500 |
| 2 | WOODFORD | 319WDFD | 6200 |
| 3 | SYLVAN | 203SLVN | 6300 |

Spacing Orders: 726605
726604

Location Exception Orders: 727381

Increased Density Orders: No Density

Pending CD Numbers: 202201223

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 16750

Ground Elevation: 751

Surface Casing: 100

Depth to base of Treatable Water-Bearing FM: 50

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: 721553 |
| 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.

MULTI UNIT HOLE 1

| | | | | |
|---|--------------|------------------------|--------------|------------------------------------|
| Section: 2 | Township: 7N | Range: 13E | Meridian: IM | Total Length: 10233 |
| County: PITTSBURG | | | | Measured Total Depth: 16750 |
| Spot Location of End Point: NE NE NW NW | | | | True Vertical Depth: 7000 |
| 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>[8/4/2022 - 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 - 727381 | <p>[8/8/2022 - G56] - (I.O) 2 & 11-7N-13E X726604 MSSP, WDFD, SLVN 2-7N-13E X726605 MSSP, WDFD, SLVN 11-7N-13E COMPL INT (11-7N-13E) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL INT (2-7N-13E) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL SANGUINE GAS EXPLORATION, LLC 8/3/2022</p> |
| MEMO | [8/4/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 202201223 | <p>[8/8/2022 - G56] - (I.O.) 2 & 11-7N-13E EST MULTIUNIT HORIZONTAL WELL X202201221 MSSP, WDFD, SLVN 2-7N-13E X202201222 MSSP, WDFD, SLVN 11-7N-13E (MSSP, SLVN ARE ADJACENT CSS TO WDFD) 50% 2-7N-13E 50% 11-7N-13E NO OP NAMED REC 6/7/2022 (MYLES)</p> |
| SPACING - 726604 | <p>[8/8/2022 - G56] - (640)(HOR) 2-7N-13E EST MSSP, WDFD, SLVN COMPL INT (MSSP) POE TO BHL NCT 660' FB COMPL INT (WDFD) POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL COMPL INT (SLVN) POE TO BHL NCT 330' FB</p> |
| SPACING - 726605 | <p>[8/8/2022 - G56] - (640)(HOR) 11-7N-13E EST MSSP, WDFD, SLVN COMPL INT (MSSP) POE TO BHL NCT 660' FB COMPL INT (WDFD) POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL COMPL INT (SLVN) POE TO BHL NCT 330' FB (COEXIST WITH SP # 536678 MSSP, WDFD)</p> |