

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

API NUMBER: 011 23613

Approval Date: 06/10/2016
Expiration Date: 12/10/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 19N Rge: 12W County: BLAINE
SPOT LOCATION: SW SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 250 2185

Lease Name: HEATH Well No: 3-1H Well will be 250 feet from nearest unit or lease boundary.
Operator Name: CARRERA ENERGY LLC Telephone: 4326956970 OTC/OCC Number: 23514 0

CARRERA ENERGY LLC
PO BOX 5036
MIDLAND, TX 79704-5036

MARK R. & KATRINA L. KOPF
ROUTE 1, BOX 34
LONGDALE OK 73755

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	8900	6	
2	WOODFORD	9500	7	
3			8	
4			9	
5			10	

Spacing Orders: 644764

Location Exception Orders: 645272

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14207

Ground Elevation: 1549

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 90

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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: DOG CREEK

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31305

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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

Sec 03 Twp 18N Rge 12W County BLAINE

Spot Location of End Point: SW SE SE SW

Feet From: SOUTH 1/4 Section Line: 200

Feet From: WEST 1/4 Section Line: 2185

Depth of Deviation: 8577

Radius of Turn: 573

Direction: 180

Total Length: 4730

Measured Total Depth: 14207

True Vertical Depth: 9500

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category	Description
DEEP SURFACE CASING	6/6/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	6/6/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
INTERMEDIATE CASING	6/6/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 645272	6/8/2016 - G75 - (I.O.) 3-18N-12W X644764 MSSP, WDFD COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 1320 FWL CARRERA ENERGY LLC 9-17-2015
SPACING - 644764	6/8/2016 - G75 - (640)(HOR) 3-18N-12W VAC 105366 UNCCR VAC 311705 MSSLM EST MSSP, WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL

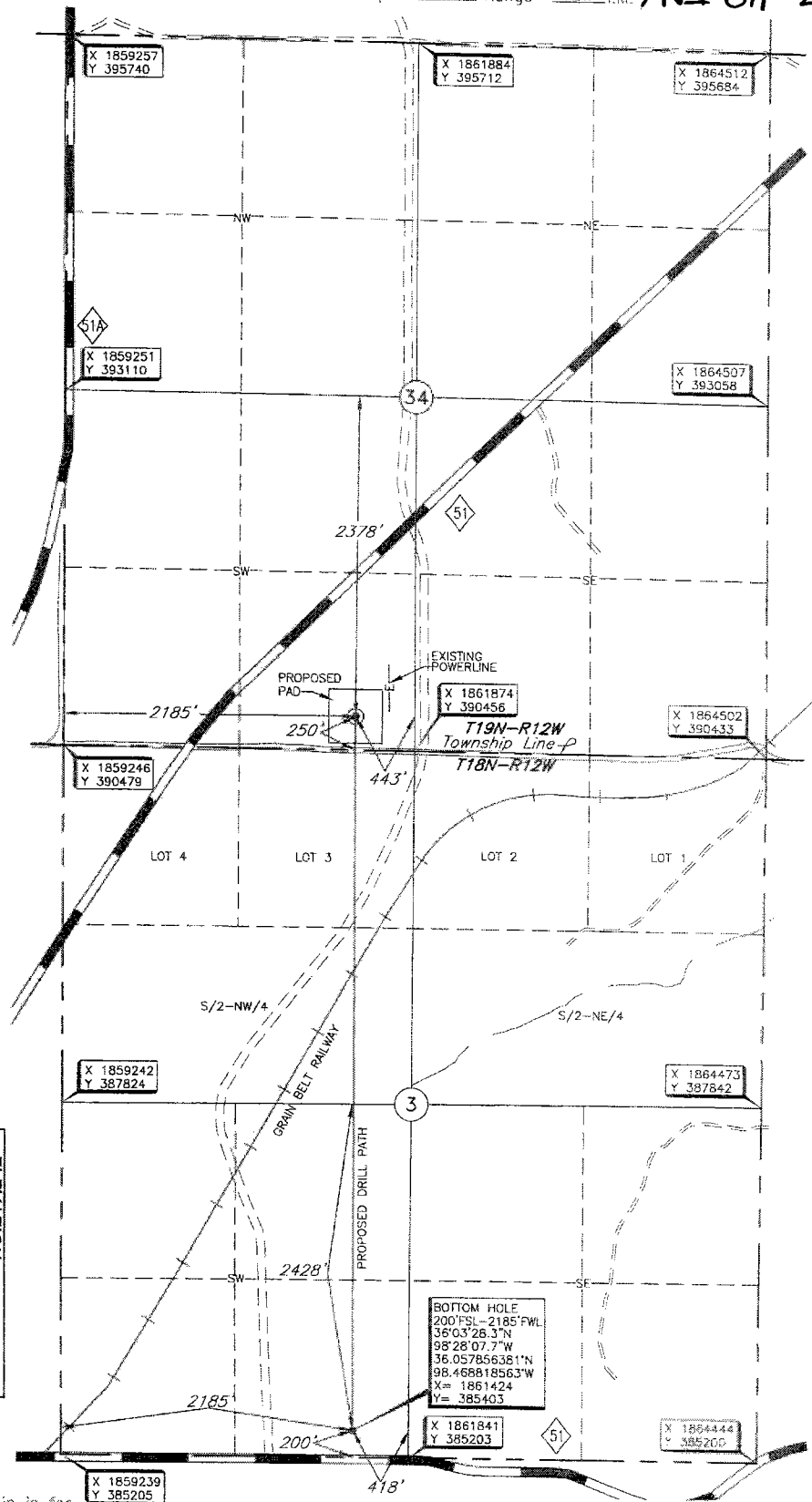
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BLAINE County, Oklahoma
 250' FSL-2185' FWL Section 34 Township 19N Range 12W I.M.

APT 011-23613



BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED. NOT SURVEYED.



Operator: CARRERA ENERGY, LLC.
 Lease Name: CARRERA HEATH
 Topography & Vegetation Location fall in wheat field, ±252' West of powerline.
 Well No.: 3-1H
 ELEVATION: 1949 Gr. at Stake

Good Drill Sites? Yes
 Best Accessibility to Location From county road South of well location.
 Distance & Direction from Hwy Jct or Town From Southard, Ok., at the Jct. of St. Hwy 51A and St. Hwy 51, go ±1 mile North on St. Hwy 51A to the Southwest Corner of Section 34, T19N-R12W.
 Reference Stakes or Alternate Location Stakes Set None

NOTE:
 The information shown herein is for construction purposes ONLY.

DATUM: NAD-27
 LAT: 36°04'20.8" N
 LONG: 98°28'08.0" W
 LAT: 36.072434118" N
 LONG: 98.468880090" W
 STATE PLANE
 COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 1861432
 Y: 390710

Date of Drawing: Jun. 17, 2015
 Invoice # 245338 Date Staked: Jun. 10, 2015 JGW

CERTIFICATE:

I, Lee K. Goss an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Lee K. Goss
 Oklahoma Lic. No. 1778

