

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

API NUMBER: 043 23482

Approval Date: 10/17/2016
Expiration Date: 04/17/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 16N Rge: 15W County: DEWEY
SPOT LOCATION: N2 SE SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 437 1650

Lease Name: CHERRY MASH Well No: 8-1H Well will be 437 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

PERCY FARMS LLC
421 SOUTH 18TH STREET
CLINTON OK 73601

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

	Name	Depth	Name	Depth
1	CHESTER	10600	6	
2	MISSISSIPPI LIME	11775	7	
3	KINDERHOOK	12500	8	
4			9	
5			10	

Spacing Orders: 93523
585396

Location Exception Orders: 655592

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16359

Ground Elevation: 1781

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 210

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

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

PERMIT NO: 16-31691

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 08 Twp 16N Rge 15W County DEWEY

Spot Location of End Point: N2 N2 NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 11227

Radius of Turn: 573

Direction: 357

Total Length: 4232

Measured Total Depth: 16359

True Vertical Depth: 12700

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
DEEP SURFACE CASING	10/11/2016 - G75 - 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	10/11/2016 - G75 - 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	10/11/2016 - G75 - 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 - 655592	10/11/2016 - G75 - (I.O.) 8-16N-15W X93523 CSTR X585396 MSSLM, KDRK COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 1320' FEL CARRERA ENERGY, LLC 8-25-2016
SPACING - 585396	10/11/2016 - G75 - (640) 8-16N-15W EXT OTHERS EST MSSLM, KDRK, OTHERS
SPACING - 93523	10/11/2016 - G75 - (640) 8-16N-15W EXT OTHERS EXT 82760 CSTR, OTHER
SURFACE LOCATION	10/17/2016 - G75 - 437' FSL, 1650' FEL SE4 8-16N-15W WITH GROUND ELEVATION OF 1781' PER REVISED STAKING PLAT

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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.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

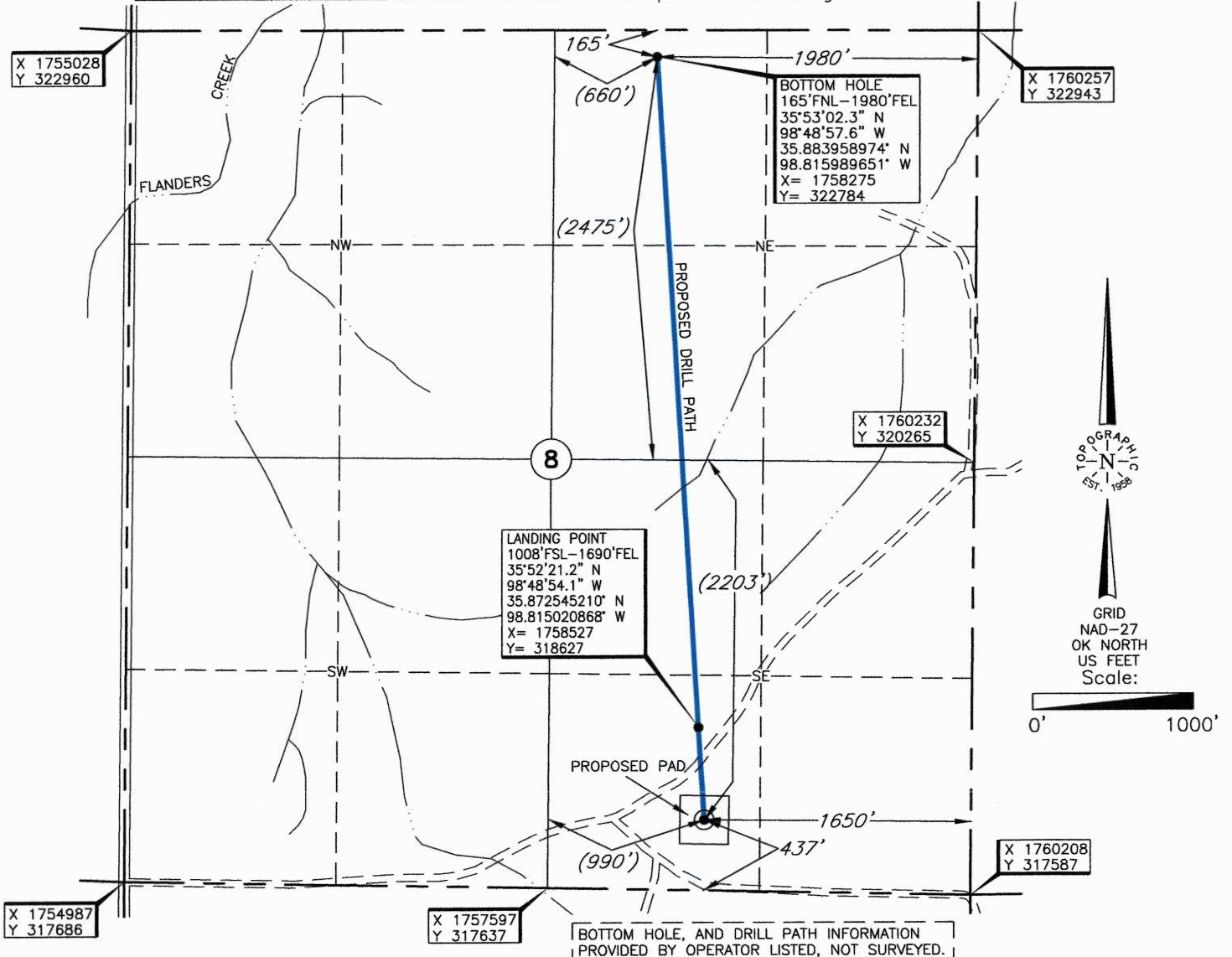
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS.

DEWEY

County, Oklahoma

API 043-23482

437'FSL - 1650'FEL Section 8 Township 16N Range 15W I.M.



Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have not been measured.

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

Operator: CARRERA ENERGY, LLC
 Lease Name: CHERRY MASH

Well No.: 8-1H **ELEVATION:** 1781' Gr. at Stake

Topography & Vegetation Loc. fell on sloped grass pasture

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From West off lease road

Distance & Direction from Hwy Jct or Town From Putnam, OK, go ±4.0 miles East, then ±1.0 mile South, then ±3.5 miles East, then ±2.0 miles North, then ±1.0 mile East to the SE Corner of Section 8-T16N-R15W

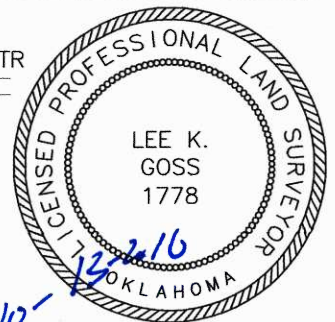
DATUM: NAD-27
 LAT: 35°52'15.5" N
 LONG: 98°48'53.6" W
 LAT: 35.870974801° N
 LONG: 98.814887596° W
 STATE PLANE COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 1758562
 Y: 318055

Revision A Date of Drawing: Aug. 25, 2016
 Invoice # 264190 Date Staked: Aug. 24, 2016 JP/TR

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

Oklahoma Lic. No. 1778



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.