

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

API NUMBER: 051 24051

Approval Date: 07/12/2016  
Expiration Date: 07/12/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 5N Rge: 8W County: GRADY  
SPOT LOCATION:  NW  SE  SW  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 450 1750

Lease Name: TORRALBA 10-5-8 Well No: 1H Well will be 450 feet from nearest unit or lease boundary.  
Operator Name: KAISER-FRANCIS OIL COMPANY Telephone: 9184940000 OTC/OCC Number: 6390 0

KAISER-FRANCIS OIL COMPANY  
PO BOX 21468  
TULSA, OK 74121-1468

DENNIS COLCLASURE  
408 SOUTH SEMINOLE AVE.  
DEWEY OK 74029

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

Name	Depth	Name	Depth
1 HOXBAR	11000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 629222

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602746

Special Orders:

Total Depth: 16441

Ground Elevation: 1158

**Surface Casing: 2500**

Depth to base of Treatable Water-Bearing FM: 770

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: MARLOW

Approved Method for disposal of Drilling Fluids:

C. Annular Injection -- (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.)

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31320

H. SEE MEMO

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.

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: MARLOW

HORIZONTAL HOLE 1

Sec 10 Twp 5N Rge 8W County GRADY

Spot Location of End Point: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 700

Depth of Deviation: 10604

Radius of Turn: 750

Direction: 170

Total Length: 4659

Measured Total Depth: 16441

True Vertical Depth: 11057

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

Additional Surface Owner	Address	City, State, Zip
JOSEPHINE GUERRERO	4013 SOUTH 16TH ST.	CHICKASHA, OK 73018
DAVID RAY	313 WEST PETREE ROAD	ANADARKO, OK 73005
AMELIA KRAWTZOW	2101 SOUTH 12TH STREET	CHICKASHA, OK 73018

Notes:

Category	Description
DEEP SURFACE CASING	6/10/2016 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING; AND, 2) TWO-STAGE CEMENTING TOOL TO BE SET NO DEEPER THAN 100' BELOW BTW
HYDRAULIC FRACTURING	6/7/2016 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> 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.
MEMO	6/10/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201602746	7/11/2016 - G75 - (E.O.) 10-5N-8W X629222 HXBR COMPL. INT. NCT 165 TO NL, NCT 165 TO SL, NCT 660 TO EL KAISER-FRANCIS OIL CO. REC 7-12-2016 (MCKEOWN)
SPACING - 629222	6/10/2016 - G75 - (640)(HOR) 10-5N-8W EST HXBR POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 225576 HXBRL, YULE)

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