

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

API NUMBER: 073 25518

Approval Date: 02/14/2017  
Expiration Date: 08/14/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 18N Rge: 5W County: KINGFISHER  
SPOT LOCATION:  SW  SW  SW  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 260 2390

Lease Name: FALLOW 18-05-05 Well No: 1H Well will be 260 feet from nearest unit or lease boundary.  
Operator Name: STAGHORN PETROLEUM LLC Telephone: 9185842558 OTC/OCC Number: 23753 0

STAGHORN PETROLEUM LLC  
1 W 3RD ST STE 1000  
TULSA, OK 74103-3500

DEBORAH G MILLAWAY  
2115 SOUTH FLORENCE  
TULSA OK 74114

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

Name	Depth	Name	Depth
1 MISS'AN (EX CHESTER)	6533	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 632398

Location Exception Orders: 656595

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12100

Ground Elevation: 1149

**Surface Casing: 400**

Depth to base of Treatable Water-Bearing FM: 150

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: 3500 Average: 1500

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: SALT PLAINS

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32114  
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 05 Twp 18N Rge 5W County KINGFISHER

Spot Location of End Point: NW NW NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 2550

Depth of Deviation: 6450

Radius of Turn: 618

Direction: 1

Total Length: 4679

Measured Total Depth: 12100

True Vertical Depth: 7037

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

Notes:

Category

Description

HYDRAULIC FRACTURING

2/9/2017 - 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/](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

LOCATION EXCEPTION - 656595

2/14/2017 - G60 - (I.O.) 5-18N-5W  
X632398 MSNLC  
SHL NCT 210' FSL, NCT 2424 FEL  
COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 2424 FEL  
STAGHORN PETROLEUM, LLC.  
10/3/16

SPACING - 632398

2/14/2017 - G60 - (640)(HOR) 5-18N-5W  
VAC 44960/62761 MSSLM SE4, E2 NW4  
VAC 44960/62761/128047/198573 SE4 NE4, W2 NE4 MSSLM  
EST MSNLC, OTHERS  
COMPL. INT. NCT 660' FB  
(COEXIST WITH SP. ORDER 198573 MSSLM NE4 NE4; SP. ORDER 44960/62761 MISS W2 NW4, W2 SW4, SW4)