

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

API NUMBER: 043 23544

Approval Date: 08/14/2017
Expiration Date: 02/14/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 19N Rge: 17W County: DEWEY
SPOT LOCATION: NE NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 270 420

Lease Name: HEDGES 1917 Well No: 1-270H Well will be 270 feet from nearest unit or lease boundary.
Operator Name: MARATHON OIL COMPANY Telephone: 7132962003 OTC/OCC Number: 1363 0

MARATHON OIL COMPANY
5555 SAN FELIPE ST
HOUSTON, TX 77056-2701

JAMES AND KIM HEDGES
227538 US HWY 60
SEILING OK 73663

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

Name	Depth	Name	Depth
1	MISSISSIPPI SOLID	10505	6
2			7
3			8
4			9
5			10

Spacing Orders: 585126

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201703661
201703660

Special Orders:

Total Depth: 16587

Ground Elevation: 1880

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 240

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: 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: RUSH SPRINGS

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 27 Twp 19N Rge 17W County DEWEY

Spot Location of End Point: S2 SW SW SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 10993

Radius of Turn: 462

Direction: 183

Total Length: 4868

Measured Total Depth: 16587

True Vertical Depth: 11722

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

8/7/2017 - G58 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

8/7/2017 - G58 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: [HTTP://WWW.OCCWEB.COM/OG/OGFORMS.HTML](http://www.occeweb.com/og/ogforms.html); AND,

3)THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/)

INTERMEDIATE CASING

8/7/2017 - G58 - 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

MEMO

8/7/2017 - G58 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS REQUIRED, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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.

043 23544 HEDGES 1917 1-27OH

Category	Description
PENDING CD - 201703660	8/10/2017 - G60 - 27-19N-17W X585126 MSSSD 1 WELL NO OP. NAMED REC. 6/27/17 (LORENZ)
PENDING CD - 201703661	8/10/2017 - G60 - (I.O.) 27-19N-17W X585126 MSSSD COMPL. INT. NCT 165' FNL, NT 165' FSL, NCT 330' FWL NO OP. NAMED REC. 6/27/17 (LORENZ)
SPACING - 585126	8/10/2017 - G60 - (640) 27-19N-17W EXT 136122 MSSSD EST OTHERS

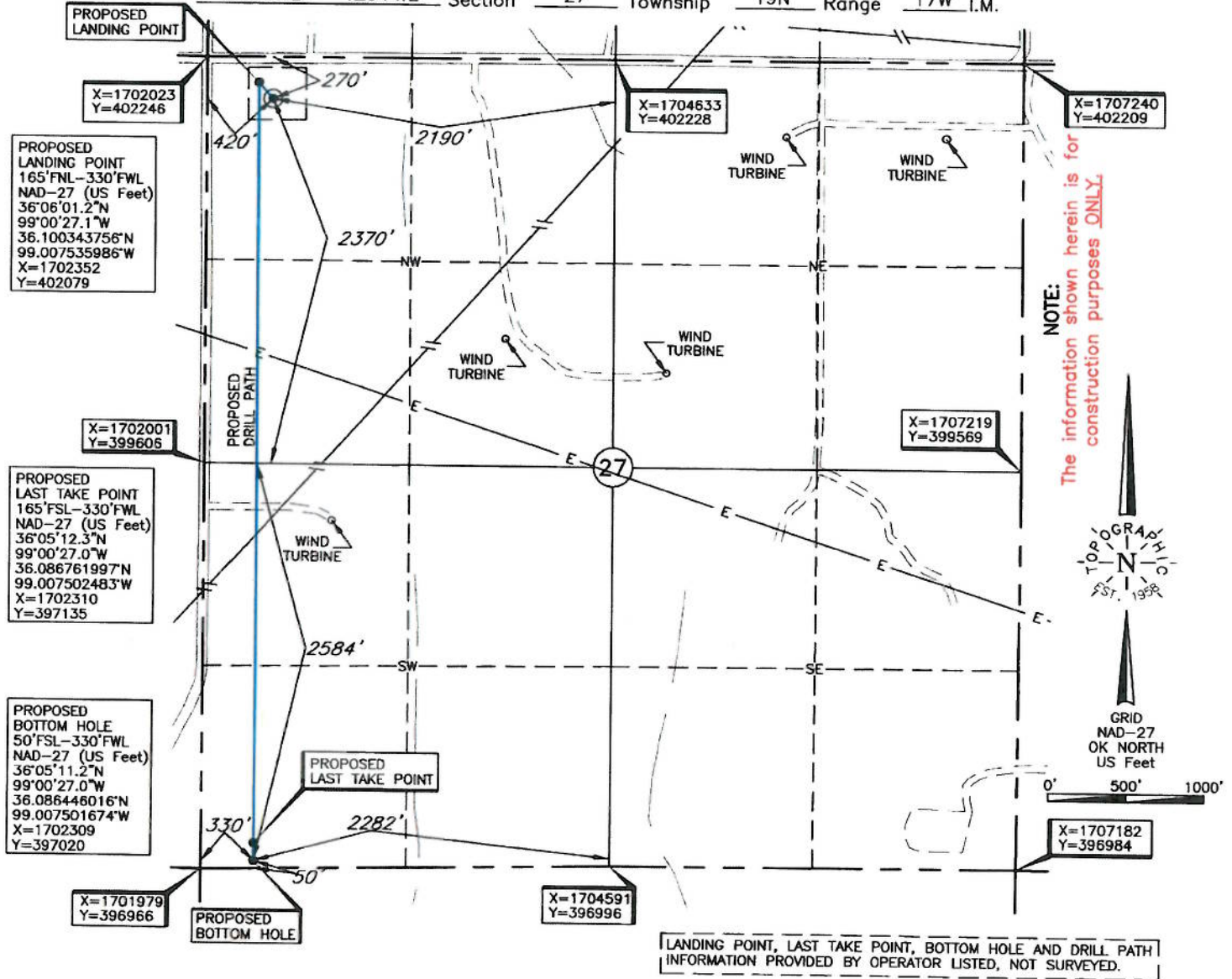
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TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

3504323544

270'FNL - 420'FWL Section 27 Township 19N Range 17W I.M. County, Oklahoma



Operator: MARATHON OIL COMPANY

Lease Name: HEDGES 1917

Well No.: 1-270H **ELEVATION:** 1880' Gr. at Stake NGVD29

Topography & Vegetation Loc. fell in level to sloped wheat field

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

Best Accessibility to Location From North off county road

Distance & Direction
 from Hwy Jct or Town From Seiling, OK, go ±4.5 mi. West on St. Hwy. 51, then ±3.0
mi. South to the NW Cor. of Sec. 27-T19N-R17W

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

DATUM: NAD-27
 LAT: 36°06'00.2"N
 LONG: 99°00'26.0"W
 LAT: 36.100055910° N
 LONG: 99.007230715° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1702441
 Y: 401973

Date of Drawing: May 16, 2017
 Invoice # 275438 Date Staked: May 15, 2017 AC

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

[Signature]
 Oklahoma Lic. No. 1778

