

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

API NUMBER: 045 23649 A

Approval Date: 01/19/2018  
Expiration Date: 07/19/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 24N Rge: 23W County: ELLIS  
SPOT LOCATION:  SW  NW  SE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 1810 1162

Lease Name: BURGESS Well No: 28-1 Well will be 1162 feet from nearest unit or lease boundary.  
Operator Name: BLACK MESA PRODUCTION LLC Telephone: 9189334454 OTC/OCC Number: 24018 0

BLACK MESA PRODUCTION LLC  
401 S BOSTON AVE STE 450  
TULSA, OK 74103-4045

KIRK BURGESS  
1254 CADDO STREET  
WAKITA OK 73771

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

| Name          | Depth | Name | Depth |
|---------------|-------|------|-------|
| 1 MORROW SAND | 7820  | 6    |       |
| 2             |       | 7    |       |
| 3             |       | 8    |       |
| 4             |       | 9    |       |
| 5             |       | 10   |       |

Spacing Orders: 39292 Location Exception Orders: 664241 Increased Density Orders: 664373  
36434  
45804

Pending CD Numbers:

Special Orders:

Total Depth: 8000 Ground Elevation: 2218 Surface Casing: 800 Depth to base of Treatable Water-Bearing FM: 430

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32490

Chlorides Max: 8000 Average: 5000

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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: OGALLALA

Notes:

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.

| Category                    | Description  |
|-----------------------------|--|
| DEEP SURFACE CASING         | 1/8/2018 - G71 - 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        | 1/8/2018 - G71 - OCC 165:10-3-10 REQUIRES:<br><br>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;<br><br>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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a> ; AND,<br><br>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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a> |
| INCREASED DENSITY - 664373  | 1/19/2018 - G58 - 28-24N-23W<br>X39292 MWSD<br>1 WELL<br>NO OP. NAMED<br>6/5/2017  |
| LOCATION EXCEPTION - 664241 | 1/19/2018 - G58 - 28-24N-23W<br>X39292 MWSD<br>XOTHERS<br>NCT 1810' FNL, NCT 1162' FEL<br>NO OP NAMED<br>6/1/2017  |
| SPACING - 36434             | 1/18/2018 - G58 - (640) 28-24N-23W<br>EXT 35126 MWSD   |
| SPACING - 39292             | 1/18/2018 - G58 - (640) 28-24N-23W<br>EXT 35126/VAR/36434 MWSD   |
| SPACING - 45804             | 1/18/2018 - G58 - (640) 28-24N-23W<br>CONSOL/EXT VAR/35126/VAR/39292/VAR MWSD  |
| SURFACE HOLE LOCATION       | 1/19/2018 - G58 - PER LOCATION EXCEPTION   |