

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

API NUMBER: 051 24261

Approval Date: 01/24/2018
Expiration Date: 07/24/2018

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 5N Rge: 5W County: GRADY
SPOT LOCATION: SE SE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 1310 2360

Lease Name: BRANCH Well No: 2-24 Well will be 1310 feet from nearest unit or lease boundary.
Operator Name: RED ROCKS OIL & GAS OPERATING LLC Telephone: 4056003065 OTC/OCC Number: 22649 0

RED ROCKS OIL & GAS OPERATING LLC
1141 N ROBINSON AVE STE 301
OKLAHOMA CITY, OK 73103-4919

B.J. BRANCH
3410 COUNTY STREET 2990
LINDSAY OK 73052

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

	Name	Depth	Name	Depth
1	SYCAMORE	9805	6	
2	VIOLA	10740	7	
3	BROMIDE	11380	8	
4	TULIP CREEK	11740	9	
5	MCLISH	12095	10	

Spacing Orders: 29404
97606
203918
350214

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201800357
201800358

Special Orders:

Total Depth: 12320 Ground Elevation: 1048 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 80

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 18-33769

H. SEE MEMO

DIRECTIONAL HOLE 1

Sec 25 Twp 4N Rge 5W County GRADY

Spot Location of End Point: SE SE NE NW

Feet From: NORTH 1/4 Section Line: 1000

Feet From: WEST 1/4 Section Line: 2350

Measured Total Depth: 12420

True Vertical Depth: 12320

End Point Location from Lease,

Unit, or Property Line: 1000

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Notes:

Category	Description
DEEP SURFACE CASING	1/22/2018 - 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	1/22/2018 - G71 - 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: 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: FRACFOCUS.ORG
MEMO	1/22/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - WASHITA RIVER), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201800357	1/23/2018 - G57 - (E.O.) N2 NW4 24-5N-5W X350214 SCMR X97606 VIOL X29404 BRMD (BRMD1, BRMD2, BMDD) X203918 TPCK, MCLS 1 WELL NO OP. NAMED REC 1-22-2018 (NORRIS)
PENDING CD - 201800358	1/23/2018 - G57 - (E.O.) N2 NW4 24-5N-5W X350214 SCMR X97606 VIOL X29404 BRMD (INCLUDES BRMD1, BRMD2, BMDD) X203918 TPCK, MCLS XOTHER SHL 280' FEL, 10' FSL N2 NW4 BHL NCT 330' FSL, NCT 260' NO OP. NAMED REC 1-22-2018 (NORRIS)
SPACING - 203918	1/23/2018 - G57 - (80) NW4 24-5N-5W LD NE/SW EXT OTHER S2 NW4 EST OTHER S2 SW4 EXT 31245 TPCK EXT OTHER EST MCLS
SPACING - 29404	1/23/2018 - G57 - (80) 24-5N-5W LD NE/SW EST BRMD (INCLUDING BRMD1, BRMD2, BMDD)

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
SPACING - 350214	1/23/2018 - G57 - (80) N2 NW4 24-5N-5W LD NE/SW VAC OTHERS EXT OTHERS EXT 347618 SCMR, OTHERS
SPACING - 97606	1/23/2018 - G57 - (80) N2 NW4 24-5N-5W LD NE/SW EXT 68655 VIOL

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