

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

API NUMBER: 141 20519

Approval Date: 04/06/2018
Expiration Date: 10/06/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 3S Rge: 18W County: TILLMAN
SPOT LOCATION: NE SE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 740 115

Lease Name: O&O FARM & RANCH Well No: 1 Well will be 740 feet from nearest unit or lease boundary.
Operator Name: AC OPERATING COMPANY LLC Telephone: 7138819030 OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC
952 ECHO LN STE 390
HOUSTON, TX 77024-2851

O&O FARM & RANCH INC
21954 CR EW 187
FREDERICK OK 73542

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

	Name	Depth	Name	Depth	
1	CANYON	3035	6	ARBUCKLE	5620
2	STRAWN	3925	7		
3	MISSISSIPPIAN	4850	8		
4	VIOLA	5100	9		
5	SIMPSON	5260	10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201705490
201705492

Special Orders:

Total Depth: 5800 Ground Elevation: 1188 **Surface Casing: 150** Depth to base of Treatable Water-Bearing FM: 100

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
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: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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
HYDRAULIC FRACTURING	<p>3/26/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
PENDING CD - 201705490	<p>3/30/2018 - G57 - (80)(IRRG-UNIT) NW4 NW4 13 & NE4 NE4 14-3S-18W EST MSSP, STWN, VIOL, SMPS, ABCK REC 2-20-2018 (NORRIS)</p>
PENDING CD - 201705492	<p>4/4/2018 - G57 - (80)(IRRG-UNIT) NW4 NW4 13 & NE4 NE4 14-3S-18W X201705490 STRN, MSSP, VIOL, SMSP, ABCK 740' FNL, 1205' FWL NO OP. NAMED REC 2-20-2018 (NORRIS)</p>
SPACING	<p>4/6/2018 - G57 - FORMATION UNSPACED (CNYN); LEASE OUTLINE 80-ACRES NW4 NW4 13 & NE4 NE4 14-3S-18W PER OPERATOR</p>

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

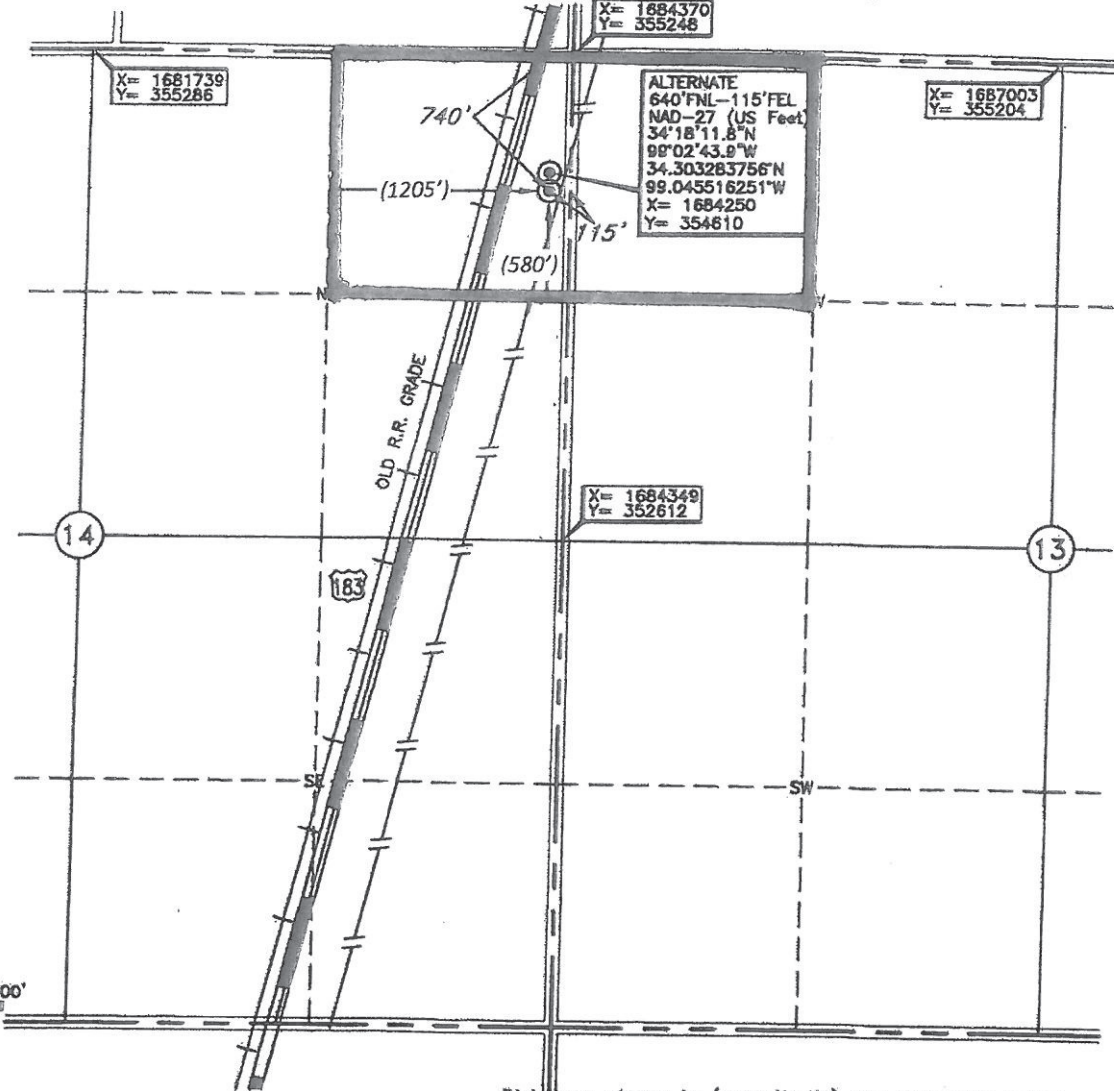
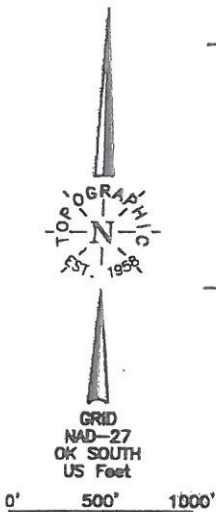
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3218
 Certificate of Authorization No. 1293 LS

TILLMAN

County, Oklahoma

740'FNL-115'FEL Section 14 Township 3S Range 18W I.M.

NOTE:
 The information shown herein is for construction purposes ONLY.



Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet; those shown in [brackets] are based on G.L.O. (General Land Office) distances and have NOT been measured on the ground.

Operator: AC EXPLORATION, LLC

Lease Name: TBD

Well No.: N/A

ELEVATION:

1188' Gr. at Stake

Topography & Vegetation Loc. fell in cut wheat field; 60' NW of NE-SW pipeline;

ALT Loc. fell in cut wheat field, ±84' NW of NE-SW pipeline.

Good Drill Site? Fair; ALT/Yes

Reference Stakes or Alternate Location
 Stakes Set ALT 640'FNL-115'FEL Elev. 1188'

Best Accessibility to Location From East off county road.

Distance & Direction

from Hwy Jct or Town From the junction of US Hwy. 183 and US Hwy. 70 in Davidson, OK,

go NE on US Hwy. 183 for ±4.2 miles to the NE Cor. of Section 14, T3S-R18W.

This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.
 DATUM: NAD-27
 LAT: 34°18'10.8\"/>

Date of Drawing: Jun. 6, 2017

Invoice # 276870 Date Staked: Jun. 5, 2017

TR

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell
 Oklahoma Lic. No. 1433

