

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

API NUMBER: 015 23297

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

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 5N Rge: 9W County: CADDO
SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 990 900

Lease Name: KLA-DA-ING Well No: 9 Well will be 900 feet from nearest unit or lease boundary.
Operator Name: LAKESHORE OPERATING LLC Telephone: 8445574673 OTC/OCC Number: 23797 0

LAKESHORE OPERATING LLC
23 1/2 E MADISON AVE STE A
IOLA, KS 66749-3329

SOUTHERN PLAINS REGIONAL OFFICE BIA
P.O. BOX 368
ANADARKO OK 73005

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

Name	Depth	Name	Depth
1 MARCHAND	6366	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 399561

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6675

Ground Elevation: 1460

Surface Casing: 920

Depth to base of Treatable Water-Bearing FM: 870

Under Federal Jurisdiction: Yes

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

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? Y

Wellhead Protection Area? Y

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: RUSH SPRINGS/WEATHER

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 18-34167

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

Additional Surface Owner

Address

City, State, Zip

CLIFFORD SIMMONS

P.O. BOX 346

CEMENT, OK 73017

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>3/30/2018 - 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>
PUBLIC WATER SUPPLY WELL	4/10/2018 - G71 - MUSTANG SALOON, 1 PWS/WPA, NE4 9-5N-9W
SPACING - 399561	4/10/2018 - G75 - (UNIT) NW4 10-5N-9W EST EAST CEMENT MARCHAND EOR UNIT FOR MRCD

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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.