

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

API NUMBER: 051 24547

Approval Date: 01/11/2019  
Expiration Date: 07/11/2020

Straight Hole Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 9N Rge: 6W County: GRADY  
SPOT LOCATION:  SW  SE  NE  NE FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 1095 2220

Lease Name: LONGHORN SWD Well No: 1 Well will be 1095 feet from nearest unit or lease boundary.  
Operator Name: COBALT ENVIRONMENTAL SOLUTIONS LLC Telephone: 5802799446 OTC/OCC Number: 23434 0

COBALT ENVIRONMENTAL SOLUTIONS LLC  
PO BOX 1266  
ARDMORE, OK 73402-1266

DUDLEY & AMANDA BASE  
3505 EAST SILVER CITY RIDGE  
TUTTLE OK 73089

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

Name	Depth	Name	Depth
1 WOLFCAMPIAN	3220	6	
2 WABAUNSEE	3900	7	
3 SHAWNEE	5750	8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6600 Ground Elevation: 1310 **Surface Casing: 450** Depth to base of Treatable Water-Bearing FM: 350

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

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 2

Liner not required for Category: 2

Pit Location is NON HSA

Pit Location Formation: DOG CREEK

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 data-bbox="535 100 1006 130">1/4/2019 - G71 - OCC 165:10-3-10 REQUIRES:</p> <ol style="list-style-type: none"> <li data-bbox="535 151 1544 226">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;</li> <li data-bbox="535 247 1544 348">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,</li> <li data-bbox="535 369 1544 445">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></li> </ol>
SPACING	1/4/2019 - G71 - N/A - DISPOSAL WELL

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.