

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

API NUMBER: 049 25255 A

Approval Date: 01/10/2019
Expiration Date: 07/10/2020

Horizontal Hole Oil & Gas

Amend reason: CHANGE SHL

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 3N Rge: 4W

County: GARVIN

SPOT LOCATION: SW SE SE SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 277 2141

Lease Name: SMITH 0304

Well No: 7-18WH

Well will be 277 feet from nearest unit or lease boundary.

Operator Name: MARATHON OIL COMPANY

Telephone: 4057205508

OTC/OCC Number: 1363 0

MARATHON OIL COMPANY
7301 NW EXPRESSWAY STE 225
OKLAHOMA CITY, OK 73132-1590

STEVEN J SMITH
12003 135TH STREET
LINDSAY OK 73052

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

Name	Depth	Name	Depth
1 WOODFORD	14730	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 590255

Location Exception Orders:

Increased Density Orders: 689412

Pending CD Numbers: 201808336
201808341

Special Orders:

Total Depth: 19516

Ground Elevation: 1184

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 410

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

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 BED AQUIFER

Pit Location Formation: DUNCAN

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35995
H. SEE MEMO

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 BED AQUIFER

Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 18 Twp 3N Rge 4W County GARVIN

Spot Location of End Point: NE NE NE NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 2565

Depth of Deviation: 13790

Radius of Turn: 462

Direction: 5

Total Length: 5000

Measured Total Depth: 19516

True Vertical Depth: 14980

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

12/30/2018 - 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

12/30/2018 - 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

INCREASED DENSITY - 689412

1/9/2019 - GB1 - 18-3N-4W
X590255 WDFD
2 WELLS
MARATHON OIL COMPANY
1/9/2019

MEMO

12/30/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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Category	Description
PENDING CD - 201808336	1/9/2019 - GB1 - (I.O.) 18-3N-4W X165:10-3-28(C)(2)(B) WDFD (SMITH 0304 7-18WH) MAY BE CLOSER THAN 600' TO SMITH 1-18H, SMITH 2-18H, SMITH 3-18H, SMITH 4-18H, SMITH 5-18H, SMITH 6-18H, SMITH 0304 8-18WH WELLS MARATHON OIL CO. REC. 10/30/2018 (M. PORTER)
PENDING CD - 201808341	1/9/2019 - GB1 - (I.O.) 18-3N-4W X590255 WDFD COMPL. INT. NCT 150' FNL, NCT 150' FSL, NCT 330' FWL & FEL NO OP. NAMED REC. 10/30/2018 (M. PORTER)
SPACING - 590255	1/9/2019 - GB1 - (640) 18-3N-4W EST OTHER EXT 213539 WDFD, OTHERS

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Office of the Conservation Division as to when Surface Casing will be run.