

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

API NUMBER: 087 22222

Approval Date: 02/28/2019  
Expiration Date: 08/28/2020

Horizontal Hole Oil & Gas  
Multi Unit

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 9N Rge: 4W County: MCCLAIN  
SPOT LOCATION:  SW  NE  NW  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 2285 1700

Lease Name: RED ELK 9-16-0904 Well No: 1WXH Well will be 1700 feet from nearest unit or lease boundary.

Operator Name: NATIVE EXPLORATION OPERATING LLC Telephone: 4058210568 OTC/OCC Number: 24070 0

NATIVE EXPLORATION OPERATING LLC  
PO BOX 18108  
OKLAHOMA CITY, OK 73154-0108

CASTLE FAMILY TRUST  
2405 SW 124TH ST  
OKLAHOMA CITY OK 73170

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

Name	Depth	Name	Depth
1 WOODFORD	8819	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 690442 Location Exception Orders: Increased Density Orders: 691975  
682225 692135

Pending CD Numbers: 201804318 Special Orders:  
201804319

Total Depth: 17034 Ground Elevation: 1236 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 1060

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: 19-36160

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 16 Twp 9N Rge 4W County MCCLAIN

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 380

Depth of Deviation: 8233

Radius of Turn: 610

Direction: 170

Total Length: 7843

Measured Total Depth: 17034

True Vertical Depth: 8819

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

Notes:

Category

Description

DEEP SURFACE CASING

1/25/2019 - 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

1/25/2019 - 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](http://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](http://FRACFOCUS.ORG)

INCREASED DENSITY - 691254

2/28/2019 - G58 - 4-9N-4W  
X687011 WDFD  
7 WELLS  
NATIVE EXPLORATION OPERATING, LLC  
2/12/2019

INCREASED DENSITY - 692135

2/28/2019 - G58 - 16-9N-4W  
X682225 WDFD  
1 WELL  
NATIVE EXPLORATION OPERATING, LLC  
2/27/2019

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
MEMO	1/25/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - POND CREEK), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201804318	2/28/2019 - G58 - (I.O.) 9 & 16-9N-4W EST MULTIUNIT HORIZONTAL WELL X690422 WDFD, OTHERS X201804317** WDFD, OTHERS 50% 9-9N-4W 50% 16-9N-4W NO OP. NAMED REC 2/4/2019 (M. NORRIS)
PENDING CD - 201804319	**SP ORDER HAS BEEN CONSOLIDATED WILL BE CORRECTED TO CORRECT SP ORDER 2/28/2019 - G58 - (I.O.) 9 & 16-9N-4W X690422 WDFD, OTHERS X201804317** WDFD, OTHERS COMPL. INT. 9-9N-4W NCT 150' FNL, NCT 0' FSL, NCT 330' FWL COMPL. INT. 16-9N-4W NCT 0' FNL, NCT 150' FSL, NCT 330' FWL NO OP. NAMED REC 2/4/2019 (M. NORRIS)
SPACING - 682225	**SP ORDER HAS BEEN CONSOLIDATED WILL BE CORRECTED TO CORRECT SP. ORDER 2/28/2019 - G58 - (640)(HOR) 16-9N-4W VAC OTHERS EST WDFD, OTHERS POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL
SPACING - 690442	2/28/2019 - G58 - (640)(HOR) 9-9N-4W VAC OTHERS EST WDFD, OTHERS POE TO BHL NLT 165' FNL & FSL, NLT 330' FEL & FWL

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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.