

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

API NUMBER: 087 21807 C

Approval Date: 04/12/2019  
Expiration Date: 10/12/2020

Horizontal Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Sec: 20 Twp: 5N Rge: 3W

County: MCCLAIN

SPOT LOCATION:  NE  SE  SW  NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 347 1192

Lease Name: MURRY

Well No: 3-20

Well will be 347 feet from nearest unit or lease boundary.

Operator Name: ELDER CRAIG OIL AND GAS LLC

Telephone: 4057497860

OTC/OCC Number: 20621 0

ELDER CRAIG OIL AND GAS LLC  
PO BOX 7267  
EDMOND, OK 73013-9791

LESCHEN A. & DALE E. NYE  
411 JEAN AVENUE  
LINDSAY OK 73052

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

Name	Depth	Name	Depth
1 DEESE	9286	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 555757

Location Exception Orders: 671198

Increased Density Orders:

688720

Pending CD Numbers:

Special Orders:

Total Depth: 11377

Ground Elevation: 1002

Surface Casing: 440 IP

Depth to base of Treatable Water-Bearing FM: 370

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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: PURCELL

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

E. Haul to Commercial pit facility: Sec. 16 Twn. 5N Rng. 2W Cnty. 87 Order No: 409163

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.

HORIZONTAL HOLE 1

Sec 20 Twp 5N Rge 3W County MCCLAIN

Spot Location of End Point: E2 NE NW NW

Feet From: SOUTH 1/4 Section Line: 2310

Feet From: WEST 1/4 Section Line: 1280

Depth of Deviation: 9241

Radius of Turn: 750

Direction: 1

Total Length: 958

Measured Total Depth: 11377

True Vertical Depth: 9593

End Point Location from Lease,  
Unit, or Property Line: 330

Notes:

Category

Description

HYDRAULIC FRACTURING

4/8/2019 - 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)

LOCATION EXCEPTION - 671198

4/12/2019 - G56 - (I.O.) NW4 20-5N-3W  
X555757 DEESS  
SHL 330' FSL, 1200' FWL \*\*  
POE NCT 330' FSL, NCT 660' FWL  
BHL NCT 330' FNL, NCT 660' FWL  
NO OP. NAMED  
12/14/2017

\*\* S/B 347' FSL, 1192' FWL; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER ATTORNEY FOR OPERATOR

LOCATION EXCEPTION - 688720

4/12/2019 - G56 - EXTENSION OF TIME FOR ORDER # 671198

MEMO

10/13/2017 - G75 - PIT 1 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 555757

4/12/2019 - G56 - (160) NW4 20-5N-3W  
VAC OTHERS  
VAC 201646 DEESS, OTHERS  
VAC 220041/222377 DEESS, OTHERS  
EXT OTHERS  
EST DEESS, OTHERS

WATERSHED STRUCTURE

4/8/2019 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (405) 527-3452 PRIOR TO DRILLING