

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

API NUMBER: 063 24894

Approval Date: 05/09/2019
Expiration Date: 11/09/2020

Horizontal Hole Oil & Gas
Multi Unit

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 5N Rge: 9E County: HUGHES
SPOT LOCATION: NW SE NW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 1700 1766

Lease Name: FERRET 17/20/29 Well No: 4H Well will be 1700 feet from nearest unit or lease boundary.

Operator Name: SILVER CREEK OIL & GAS LLC Telephone: 9725731630; 9725731 OTC/OCC Number: 22726 0

SILVER CREEK OIL & GAS LLC
5525 N MACARTHUR BLVD STE 775
IRVING, TX 75038-2665

ROBERT CHILES
7225 EW 146 ROAD
ALLEN OK 74825

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

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 4965 | 6 | |
| 2 WOODFORD | 5336 | 7 | |
| 3 SYLVAN | 5535 | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 687371
690597

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201901782
201901786
201901787
201805984
201901785
201901783
201901784

Special Orders:

Total Depth: 14000

Ground Elevation: 876

Surface Casing: 600

Depth to base of Treatable Water-Bearing FM: 550

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

F. Haul to Commercial soil farming facility: Sec. 22 Twn. 2N Rng. 9E Cnty. 29 Order No: 537817

H. PIT 2 - MIN. 20-MIL LINER REQUIRED, OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

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 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 8000 Average: 5000
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: WEWOKA

PIT 2 INFORMATION

Type of Pit System: ON SITE
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 not located in a Hydrologically Sensitive Area.

Category of Pit: 3
Liner required for Category: 3

Pit Location is NON HSA
Pit Location Formation: WEWOKA

HORIZONTAL HOLE 1

Sec 29 Twp 5N Rge 9E County HUGHES
Spot Location of End Point: NW NE SW NE
Feet From: NORTH 1/4 Section Line: 1625
Feet From: EAST 1/4 Section Line: 1750
Depth of Deviation: 4857
Radius of Turn: 477
Direction: 179
Total Length: 8394
Measured Total Depth: 14000
True Vertical Depth: 6000
End Point Location from Lease,
Unit, or Property Line: 1625

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>4/1/2019 - 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> |
| PENDING CD - 201805984 | <p>4/10/2019 - G75 - (640)(HOR) 29-5N-9E VAC 389437 WDFD, MSRH, OTHER EST MSSP, WDFD, SLVN, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (SLVN) NLT 330' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL REC 9-7-2018 (FOREMAN)</p> |
| PENDING CD - 201901782 | <p>4/10/2019 - G75 - (I.O.) 17, 20 & 29-5N-9E EST MULTIUNIT HORIZONTAL WELL X687371 MSSP, WDFD, SLVN 17-5N-9E X690597 MSSP, WDFD, SLVN, OTHER 20-5N-9E X201805984 MSSP, WDFD, SLVN 29-5N-9E (MSSP, SLVN ADJACENT COMMON SOURCES OF SUPPLY TO WDFD) 17.94% 17-5N-9E 62.75% 20-5N-9E 19.31% 29-5N-9E NO OP. NAMED REC 4-12-2019 (MILLER)</p> |
| PENDING CD - 201901783 | <p>4/10/2019 - G75 - (I.O.) 20-5N-9E X690597 MSSP, WDFD, SLVN COMPL. INT. NCT 0' FNL, NCT 0' FSL, NCT 330' FEL NO OP. NAMED REC 4-12-2019 (MILLER)</p> |
| PENDING CD - 201901784 | <p>4/10/2019 - G75 - (I.O.) 29-5N-9E X201805984 MSSP, WDFD, SLVN COMPL. INT. NCT 0' FNL, 1625' FNL, NCT 330' FEL NO OP. NAMED REC 4-12-2019 (MILLER)</p> |
| PENDING CD - 201901785 | <p>4/10/2019 - G75 - (I.O.) 17-5N-9E X687371 MSSP, WDFD, SLVN COMPL. INT. 1800' FSL, NCT 0' FSL, NCT 330' FEL ** NO OP. NAMED REC 4-12-2019 (MILLER)</p> |
| PENDING CD - 201901786 | <p>** S/B 1500' FSL, NCT 0' FSL, NCT 330' FEL PER STAKING PLAT; TO BE CORRECTED AT HEARING FOR FINAL ORDER PER ATTORNEY FOR OPERATOR</p> <p>4/10/2019 - G75 - (I.O.) 17-5N-9E X687371 WDFD 1 WELL NO OP. NAMED REC 4-12-2019 (MILLER)</p> |
| PENDING CD - 201901787 | <p>4/10/2019 - G75 - (I.O.) 17-5N-9E X165:10-3-28(C)(2)(B) WDFD (FERRET 17/20/29-5H) ** NCT 100' TO AARDVARK 17/8-5H ++ SILVER CREEK OIL & GAS, LLC REC 4-12-2019 (MILLER)</p> <p>** S/B FERRET 17/20/29-4H; TO BE CORRECTED AT HEARING FOR FINAL ORDER PER ATTORNEY FOR OPERATOR</p> <p>++ S/B AARDVARK 17/8-4H; TO BE CORRECTED AT HEARING FOR FINAL ORDER PER ATTORNEY FOR OPERATOR</p> |
| SPACING - 687371 | <p>4/9/2019 - G75 - (640)(HOR) 17-5N-9E EST MSSP, WDFD, SLVN, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (SLVN) NLT 330' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL</p> |

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

SPACING - 690597

4/10/2019 - G75 - (640)(HOR) 20-5N-9E
EST MSSP, WDFD, SLVN, OTHERS
POE TO BHL (MSSP) NLT 660' FB
POE TO BHL (SLVN) NLT 330' FB
POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL

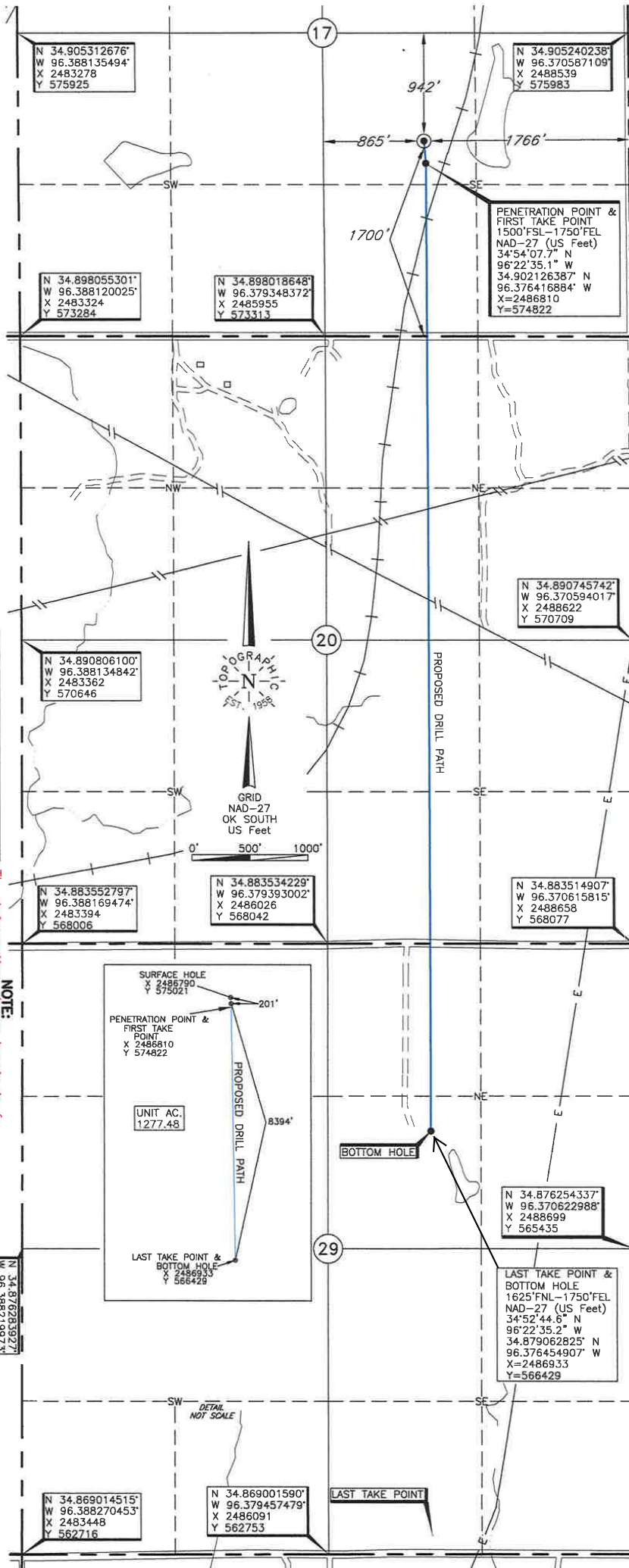
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13900 Wireless Way, Okla. City, OK, 73134 (405) 843-4847 * OUT OF STATE (800) 694-3219
 HUGHES Certificate of Authorization No. 1293 LS County, Oklahoma

1700 FSL - 1766 FEL Section 17 Township 20 N Range 9E 11.M.

PENETRATION POINT, FIRST TAKE POINT, LAST TAKE POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.



Operator: SILVER CREEK OIL & GAS, LLC

Lease Name: FERRET

Topography & Vegetation: Loc. fell in rolling pasture

Good Drill Site? Yes

Best Accessibility to Location: From South off county road

Distance & Direction: From the Jct of St. Hwy. 1 & St. Hwy. 48 in Atwood, Ok, go

±4 miles South, then ±2 miles West to the SE Cor. of Sec. 17-T20N-R7E

Well No.: 17/20/29-4H

ELEVATION:
876' Gr. at Stake

DATUM: NAD-27
 LAT: 34°54'09.6"N
 LONG: 96°22'35.3"W
 LAT: 34.902675520° N
 LONG: 96.376471817° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK SOUTH
 X: 2486790
 Y: 575021

(This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.)

NOTE:
The information shown herein is for construction purposes ONLY.

Revision C Date of Drawing: May 7, 2019
 Project # 125019A Date Staked: Mar. 21, 2019

CERTIFICATE:

I, Thomas L. Howell, an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the information shown herein.

Thomas L. Howell
 Oklahoma Lic. No. 1433

