

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

API NUMBER: 141 20524

Approval Date: 05/22/2019

Expiration Date: 11/22/2020

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 3S Rge: 19W County: TILLMAN  
SPOT LOCATION:  NW  SW  SE  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 2262 1638

Lease Name: H G GRANT TRUST Well No: 1 Well will be 378 feet from nearest unit or lease boundary.  
Operator Name: AC OPERATING COMPANY LLC Telephone: 7138819030 OTC/OCC Number: 23061 0

AC OPERATING COMPANY LLC  
952 ECHO LN STE 390  
HOUSTON, TX 77024-2851

H G GRANT TRUST  
PO BOX 445  
FREDERICK OK 73542

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

	Name	Depth	Name	Depth
1	CANYON	3290	6	
2	STRAWN	4100	7	
3	MISSISSIPPI	4860	8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5350

Ground Elevation: 1231

**Surface Casing: 250**

Depth to base of Treatable Water-Bearing FM: 110

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 located in a Hydrologically Sensitive Area.

Category of Pit: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. MIN. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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

5/15/2019 - 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)

SPACING

5/22/2019 - G56 - FORMATIONS UNSPACED; 160-ACRE LEASE (NW4) PER ITD

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.

141 20524 H G GRANT TRUST 1

**TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA**

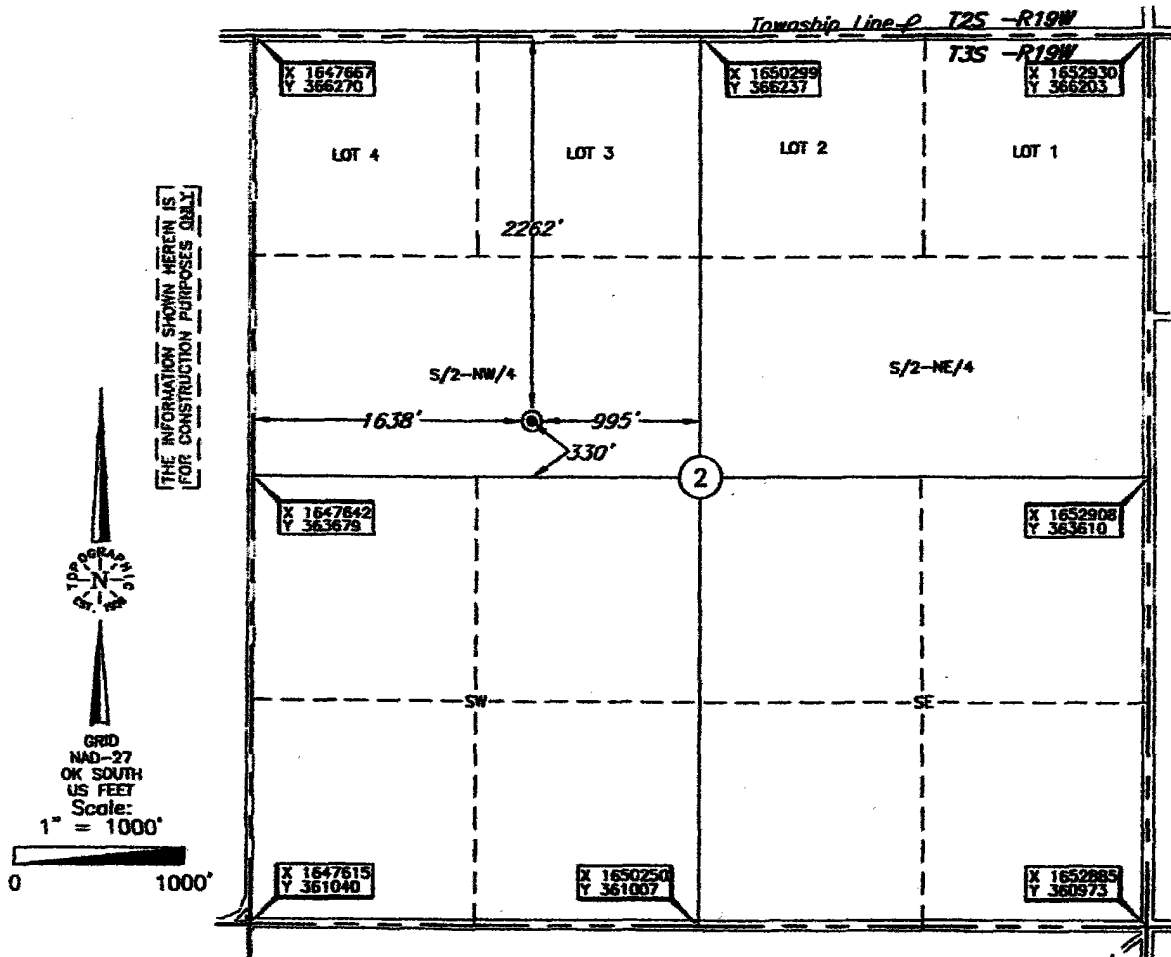
13800 Wireless Way, Okla. City, OK 73134 • LOCAL (405) 843-4847 • OUT OF STATE (800) 654-3219  
 Certificate of Authorization No. 1283 LS

TILLMAN

County, Oklahoma

330'FSL-1638'FWL-NW/4 Section 2 Township 3S Range 19W I.M.

Township Line - 2 T2S -R19W



THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

Operator: AC EXPLORATION, LLC

Lease Name: H. G. GRANT TRUST

Well No.: #1

**ELEVATION:**  
1231' Gr. at Stake

Topography & Vegetation Loc. fell in grass field

Good Drill Site? Yes Reference Stakes or Alternate Location  
 Stakes Set None

Best Accessibility to Location From North off county road.

Distance & Direction  
 from Hwy Jct or Town From Frederick, OK, go ±6.5 mi. West on St. Hwy 5, then ±4.0 mi. South, then ±2.0 mi. West to the NW Cor. of Sec. 2-T3S-R19W.

Revision  A Date of Drawing: Apr. 10, 2019  
 Project # 125151 Date Staked: Apr. 09, 2019 AC

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

DATUM: NAD-27  
 LAT: 34°19'40.8" N  
 LONG: 99°09'41.9" W  
 LAT: 34.328000168° N  
 LONG: 99.161649622° W  
 STATE PLANE  
 COORDINATES: (US Feet)  
 ZONE: OK SOUTH  
 X: 1649282  
 Y: 363987

**CERTIFICATE:**

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

*Thomas L. Howell*  
 Oklahoma Lic. No. 1433

