

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

API NUMBER: 093 25036

Approval Date: 09/16/2016
Expiration Date: 03/16/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 22N Rge: 16W County: MAJOR
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 165 700

Lease Name: THREE MUSKETEERS Well No: 35-1H Well will be 165 feet from nearest unit or lease boundary.
Operator Name: CARRERA ENERGY LLC Telephone: 4326956970 OTC/OCC Number: 23514 0

CARRERA ENERGY LLC
PO BOX 5036
MIDLAND, TX 79704-5036

JOHN LAFON
11641 VALLE LINDO
MORENO VALLEY CA 92555

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

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	8150	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 331329

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602633

Special Orders:

Total Depth: 13571

Ground Elevation: 1779

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 470

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: 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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: MARLOW

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31605

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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 35 Twp 22N Rge 16W County MAJOR

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 700

Depth of Deviation: 8300

Radius of Turn: 615

Direction: 180

Total Length: 4344

Measured Total Depth: 13610

True Vertical Depth: 8900

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
DEEP SURFACE CASING	9/14/2016 - 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	9/14/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
PENDING CD - 201602633	9/16/2016 - G64 - (I.O.) 35-22N-16W X331329 MSSLM XOTHERS COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 700' FWL NO OP. NAMED REC. 8-22-2016 (P. PORTER)
SPACING - 331329	9/16/2016 - G64 - (640) 35-22N-16W EST MSSLM EXT OTHER

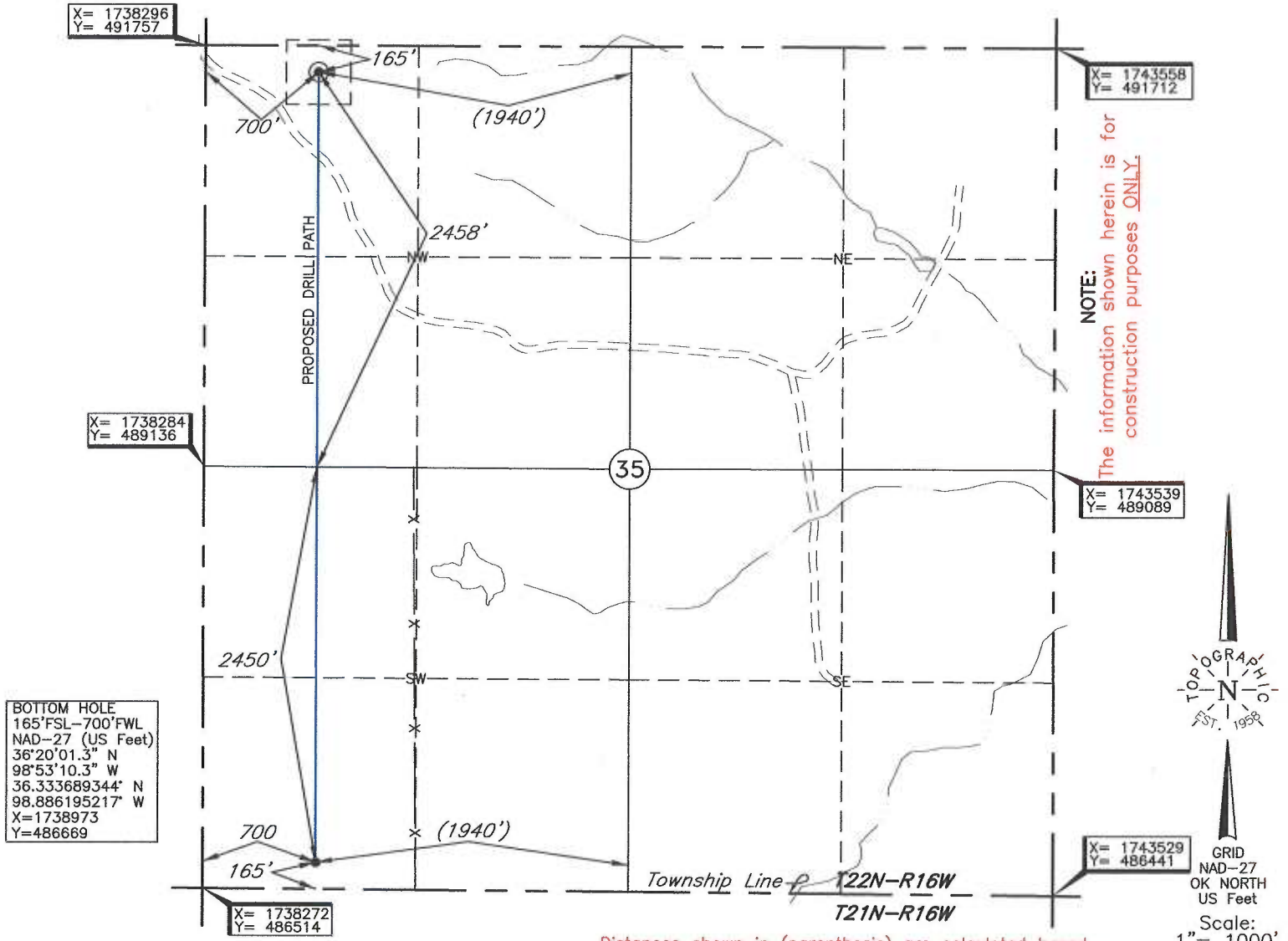
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Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

API: 093-25036

MAJOR _____ County, Oklahoma
 165'FNL - 700'FWL Section 35 Township 22N Range 16W I.M.



BOTTOM HOLE
 165'FSL-700'FWL
 NAD-27 (US Feet)
 36°20'01.3" N
 98°53'10.3" W
 36.333689344' N
 98.886195217' W
 X=1738973
 Y=486669

BOTTOM HOLE AND DRILL PATH INFORMATION
 PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have NOT been measured on the ground.

Operator: CARRERA ENERGY, LLC
 Lease Name: 3 MUSKETEERS (ALT. #2) Well No.: 35-1H **ELEVATION:** 1779' Gr. at Stake
 Topography & Vegetation Loc. fell in rough sloped pasture
 Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None
 Best Accessibility to Location From North off lease road
 Distance & Direction From Jct. US Hwy. 412 E-W and US Hwy. 281 N-S, Bouse Junction, go ±5.0 mi. South, then ±1.0 mi. East, then ±1.0 mi. South to the South Line of Sec. 35-T22N-R16W

This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.
 DATUM: NAD-27
 LAT: 36°20'49.9"N
 LONG: 98°53'10.6"W
 LAT: 36.347196301° N
 LONG: 98.886270370° W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1738995
 Y: 491586

Date of Drawing: Jul. 18, 2016
 Invoice # 262011A Date Staked: Jul. 14, 2016 AC

CERTIFICATE:
 I, T. Wayne Fisch an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein
T. Wayne Fisch
 Oklahoma Lic. No. 1378

