

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

API NUMBER: 011 23688

Approval Date: 12/05/2016
Expiration Date: 06/05/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 18N Rge: 12W County: BLAINE
SPOT LOCATION: N2 NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 215 330

Lease Name: BUTTERFINGER Well No: 22-1H Well will be 215 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

GARRY L MCKEE
813 TWO FORTY PLACE
OKLAHOMA CITY OK 73139

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	9410	6	
2	WOODFORD	10010	7	
3			8	
4			9	
5			10	

Spacing Orders: 644887

Location Exception Orders: 645284

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14082

Ground Elevation: 1637

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 40

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 16-31897

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 22 Twp 18N Rge 12W County BLAINE

Spot Location of End Point: S2 S2 SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 8827

Radius of Turn: 573

Direction: 178

Total Length: 4355

Measured Total Depth: 14082

True Vertical Depth: 10010

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

Notes:

Category	Description
DEEP SURFACE CASING	12/5/2016 - 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	12/5/2016 - 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.
INTERMEDIATE CASING	12/5/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 645284	12/5/2016 - G60 - (I.O.) 22-18N-12W X644887 MSSP, WDFD COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 1320' FWL CARRERA ENERGY, LLC. 9-17-16
SPACING - 644887	12/5/2016 - G60 - (640) 22-18N-12W VAC 135143 CRUNC VAC 214831 CSTR VAC 275008 MSSLM EST MSSP, WDFD COMPL. INT. (MSSP) NCT 660' FB MSSP COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 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.

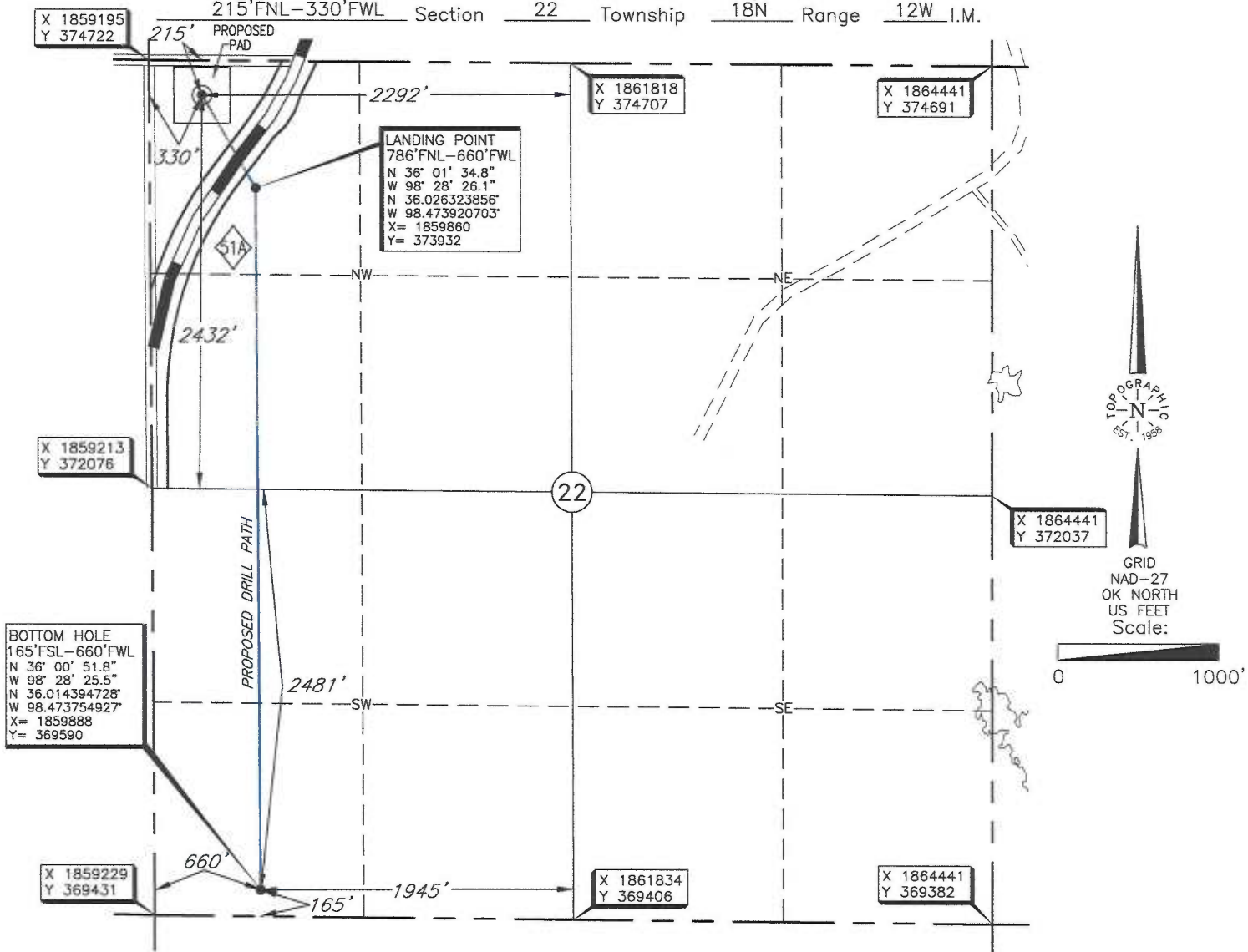
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TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

BLAINE County, Oklahoma

215'FNL-330'FWL Section 22 Township 18N Range 12W I.M.



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

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

Operator: CARRERA ENERGY, LLC

Lease Name: CARRERA BUTTERFINGER

Well No.: 22-1H **ELEVATION:** 1637' Gr. at Stake

Topography & Vegetation Location fell in grass pasture, ±179' south of powerline.

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

Best Accessibility to Location From county road north of well location.

Distance & Direction from Hwy Jct or Town From Southard, OK., go south ±1.7 miles, then west ±0.2 miles to the Northwest Corner of Section 22, T18N-R12W.

Date of Drawing: Nov. 13, 2016

Invoice # 267235A Date Staked: Nov. 10, 2016 JGW

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

DATUM: NAD-27
 LAT: 36°01'40.4"N
 LONG: 98°28'30.2"W
 LAT: 36.027893480°N
 LONG: 98.475059461°W

STATE PLANE COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 1859526
 Y: 374505

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 Reg. No. 1433

