

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

API NUMBER: 065 20303

Approval Date: 08/23/2017
Expiration Date: 02/23/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 30 Twp: 1N Rge: 19W County: JACKSON
SPOT LOCATION: N2 S2 N2 S2 FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1880 2640

Lease Name: CANAM Well No: 20 Well will be 760 feet from nearest unit or lease boundary.
Operator Name: FULCRUM EXPLORATION LLC Telephone: 2145137610 OTC/OCC Number: 22183 0

FULCRUM EXPLORATION LLC
3700 RIVER WALK DR STE 175
FLOWER MOUND, TX 75028-1811

JTL FARM & RANCH, INC.
609 EAST MAIN
TIPTON OK 73570

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

Name	Depth	Name	Depth
1 CISCO	1685	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1850 Ground Elevation: 1284 **Surface Casing: 180** Depth to base of Treatable Water-Bearing FM: 130

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

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 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: HENNESSEY

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

8/14/2017 - G58 - 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; 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

SPACING

8/22/2017 - G75 - FORMATION UNSPACED; 320-ACRE LEASE (S2)

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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.