

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

API NUMBER: 141 20490 B

Approval Date: 11/18/2019  
Expiration Date: 11/18/2021

Straight Hole Oil & Gas

Amend reason: CHANGING TOTAL DEPTH

**AMEND PERMIT TO DRILL**

**Extended**

WELL LOCATION: Section: 26 Township: 3S Range: 18W County: TILLMAN

SPOT LOCATION:  E2  SW  SE  SE FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 330 1870

Lease Name: HEAP Well No: 1 Well will be 330 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

JAMES R. HEAP  
P O BOX 624  
FREDERICK OK 73542

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

| Name            | Code    | Depth |
|-----------------|---------|-------|
| 1 CANYON        | 405CNYN | 3436  |
| 2 STRAWN        | 404STRN | 4290  |
| 3 MISSISSIPPIAN | 359MSSP | 5500  |
| 4 ARBUCKLE      | 169ABCK | 6000  |

Spacing Orders: No Spacing Location Exception Orders: No Exceptions Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending Working interest owners' notified: \*\*\* Special Orders: No Special Orders

Total Depth: 6700 Ground Elevation: 1157 **Surface Casing: 234 IP** Depth to base of Treatable Water-Bearing FM: 90

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

**Approved Method for disposal of Drilling Fluids:**  
A. Evaporation/dewater and backfilling of reserve pit.  
H. (Other) SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

**PIT 1 INFORMATION**

**Type of Pit System:** ON SITE **Category of Pit:** 1B  
**Type of Mud System:** WATER BASED **Liner required for Category:** 1B  
Chlorides Max: 5000 Average: 3000 **Pit Location is:** AP/TE DEPOSIT  
**Pit Location Formation:** TERRACE  
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.

**NOTES:**

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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>[2/8/2021 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p> |
| SPACING              | 11/18/2019 - GB1 - FORMATIONS UNSPACED; 160-ACRE LEASE SE4  |

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**AC EXPLORATION, LLC**  
952 Echo Lane, Suite 390 • Houston, Texas 77024  
Tel. (713) 881-9030 • Fax (713) 881-9078

Permit ex. 5/14/21  
Op # 23061  
Surety ex. 8/3/21

April 7, 2021

Oklahoma Corporation Commission  
Oil & Gas Division  
P.O. Box 52000  
Oklahoma City, Oklahoma 73152

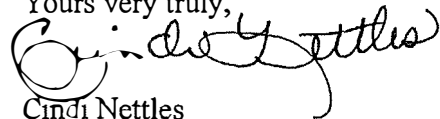
RE: Amend Permit to Drill Extension  
Heap #1 Re-Entry (Sec 26, T3S-  
R18W; API #141-20490 B  
Tillman County, Oklahoma

Gentlemen:

AC Operating Company, LLC respectfully requests an extension on the approved permit to drill the above referenced well. All information included on the permit remains the same. We understand that only one (1) period of extension will be granted and once that period has elapsed, AC must file a new permit with fee.

Thank you for your assistance and if you have any questions, please do not hesitate to contact me.

Yours very truly,



Cindi Nettles  
Land Department

Approved for 6 Month  
Extension From  
5/18/21

4/7/21



RECEIVED

APR 07 2021

Oklahoma Corporation  
Commission