

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

API NUMBER: 019 26451

Approval Date: 09/07/2021

Expiration Date: 03/07/2023

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 05 Township: 1S Range: 3W County: CARTER

SPOT LOCATION: NE SE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 670 1354

Lease Name: TUSSY DEESE UNIT Well No: SKM 15 Well will be 1354 feet from nearest unit or lease boundary.

Operator Name: STEPHENS & JOHNSON OPERATING CO Telephone: 9407232166; 9407165376 OTC/OCC Number: 19113 0

STEPHENS & JOHNSON OPERATING CO
PO BOX 2249
WICHITA FALLS, TX 76307-2249

SJOC LAND
811 6TH ST STE 300
WICHITA FALLS TX 76301

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

| Name | Code | Depth |
|---------|----------|-------|
| 1 DEESE | 404DEESS | 2589 |

Spacing Orders: 75567

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 3111

Ground Elevation: 1001

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 1080

Alternate Casing Program

Cement will be circulated by use of a two-stage cementing tool from 1180 to 0 .

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. (Other) CBL REQUIRED

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: 2

Liner not required for Category: 2

Pit Location is: BED AQUIFER

Pit Location Formation: GARBER

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 |
|----------------------|---|
| ALTERNATE CASING | [9/1/2021 - GC2] - APPROVED; (1) MUD UP PRIOR TO TD TO PROTECT SHALLOW SANDS, (2) DV TOOL TO BE SET AT 100' BELOW BTW, & (3) COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C) |
| HYDRAULIC FRACTURING | <p>[9/1/2021 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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 FRACFOCUS.ORG</p> |
| SPACING - 75567 | [9/3/2021 - GC2] - (UNIT) NE4 5-1S-3W EST TUSSY DEESE UNIT FOR DEESS |
| SURFACE CASING | [9/1/2021 - GC2] - IF USING ALTERNATE CASING A DV TOOL MUST BE USED PER ORDER 66888 |

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GARVIN COUNTY

T1N-R3W

Tussy Deese Unit

CARTER COUNTY

T1S-R3W

GB No. 4

SKM No. 15

Ground Elev. 1001'

Tussy Deese Unit SKM No. 15

1,978' fsl & 1,286' fwl NE/4 Sec 5
670' fnl & 1,354' fnl Sec 5
SE NW NE Sec 5
T1S R3W

DATUM NAD 27
Lat: 34.505089
Lng: -97.531518

State Plane Coord. (US Ft)
Zone: OK South
X: 2141144
Y: 426741

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Tussy Deese Unit

STEPHENS & JOHNSON OPERATING CO.
TUSSY DEESE UNIT
CARTER AND GARVIN COUNTIES, OKLAHOMA

