

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

API NUMBER: 105 41277

Approval Date: 08/18/2022  
Expiration Date: 02/18/2024

Straight Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 03 Township: 25N Range: 17E County: NOWATA

SPOT LOCATION:  NE  NE  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 1100 165

Lease Name: WATERS MATERIALS REED COBB Well No: 11 Well will be 165 feet from nearest unit or lease boundary.  
Operator Name: WATERS MATERIALS CO LLC Telephone: 9795330721 OTC/OCC Number: 23726 0

WATERS MATERIALS CO LLC  
5915 70TH ST  
LUBBOCK, TX 79424-1927

KENTON AND NANCY KIMBALL  
PO BOX 678  
STRATFORD TX 79084

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

Name	Code	Depth
1 SQUIRREL	404SQRL	275

Spacing Orders: No Spacing 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: 300 Ground Elevation: 699 Surface Casing: 0 Depth to base of Treatable Water-Bearing FM: 50

Alternate Casing Program

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

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: AIR

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: 4

Liner not required for Category: 4

Pit Location is: NON HSA

Pit Location Formation: FORT SCOTT

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	[8/17/2022 - GC2] - APPROVED; 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>[3/10/2022 - 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	[8/17/2022 - GC2] - FORMATION UNSPACED, 60-ACRE LEASE SE4 SE4, S2 NE4 SE4

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