

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

API NUMBER: 105 41278

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: SE NE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 800 165

Lease Name: WATERS MATERIALS REED COBB Well No: 10 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: 698 **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

Category of Pit: 4
Liner not required for Category: 4
Pit Location is: NON HSA
Pit Location Formation: FORT SCOTT

Is depth to top of ground water greater than 10ft below base of pit? Y

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

Within 1 mile of municipal water well? N
Wellhead Protection Area? N

Pit **is not** 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
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: 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	[8/17/2022 - GC2] - FORMATION UNSPACED, 60-ACRE LEASE SE4 SE4, S2 NE4 SE4

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