

API NUMBER: 011 24334

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

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 16 Township: 17N Range: 13W County: BLAINE

SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 225 800

Lease Name: KINGS CANYON 17-13-16 Well No: 1H Well will be 225 feet from nearest unit or lease boundary.
Operator Name: STAGHORN PETROLEUM II LLC Telephone: 9185842558 OTC/OCC Number: 24056 0

STAGHORN PETROLEUM II LLC
1 W 3RD ST STE 1000
TULSA, OK 74103-3500

COMMISSIONERS OF THE LAND OFFICE
120 NORTH ROBINSON
SUITE 1000 W.
OKLAHOMA CITY OK 73102

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	10328

Spacing Orders: 682723 Location Exception Orders: 724607 Increased Density Orders: No Density

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

Total Depth: 16215 Ground Elevation: 1687 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 80

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:
D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 22-38492
H. (Other) SEE MEMO

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits
Type of Mud System: WATER BASED
Chlorides Max: 8000 Average: 5000
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: C
Liner not required for Category: C
Pit Location is: BED AQUIFER
Pit Location Formation: RUSH SPRINGS

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: C
Liner not required for Category: C
Pit Location is: BED AQUIFER
Pit Location Formation: RUSH SPRINGS

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.

HORIZONTAL HOLE 1

Section: 16	Township: 17N	Range: 13W	Meridian: IM	Total Length: 4947
	County: BLAINE			Measured Total Depth: 16215
Spot Location of End Point: NE	NW	NE	NE	True Vertical Depth: 10958
Feet From: NORTH		1/4 Section Line: 165		End Point Location from
Feet From: EAST		1/4 Section Line: 700		Lease,Unit, or Property Line: 165

NOTES:

Category	Description
DEEP SURFACE CASING	[8/4/2022 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	[8/4/2022 - GC2] - OCC 165:10-3-10 REQUIRES: 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; 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, 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
INTERMEDIATE CASING	[8/4/2022 - GC2] - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 724607	[8/18/2022 - G56] - (I.O.) 16-17N-13W X682723 MSSP COMPL INT NCT 165' FSL, NCT 165' FNL, NCT 330' FEL STAGHORN PETRO II, LLC 3/31/2022
MEMO	[8/4/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 682723	[8/18/2022 - G56] - (640)(HOR) 16-17N-13W EXT 668479 MSSP, OTHERS COMPL INT NCT 660' FB

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