

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

API NUMBER: 077 21824

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

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 07 Township: 5N Range: 21E County: LATIMER

SPOT LOCATION: SW NW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 790 2460

Lease Name: HOLLY Well No: 1-7 Well will be 790 feet from nearest unit or lease boundary.
Operator Name: ENERQUEST OIL & GAS LLC Telephone: 4054783300 OTC/OCC Number: 20249 0

ENERQUEST OIL & GAS LLC
12368 MARKET DRIVE
OKLAHOMA CITY, OK 73114-8136

JANICE HOLLY
10800 SE 100TH RD
RED OAK OK 74563

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

Name	Code	Depth
1 UPPER ATOKA	403ATOKU	2300
2 MIDDLE ATOKA	403ATOKM	6022
3 LOWER ATOKA	403ATOKL	7522
4 ATOKA BASAL (SPIRO)	403AKBAS	12775
5 UNION VALLEY	402UNVL	12980

Spacing Orders: 160908 Location Exception Orders: 725962 Increased Density Orders: No Density
160300

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

Total Depth: 13000 Ground Elevation: 564 Surface Casing: 110 Depth to base of Treatable Water-Bearing FM: 40

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: 22-38496
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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C
Liner not required for Category: C
Pit Location is: NON HSA
Pit Location Formation: ATOKA

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 not** located in a Hydrologically Sensitive Area.

Category of Pit: C
Liner not required for Category: C
Pit Location is: NON HSA
Pit Location Formation: ATOKA

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.

DIRECTIONAL HOLE 1			
Section: 7	Township: 5N	Range: 21E	Meridian: 1M
County: LATIMER		Measured Total Depth: 13000	
Spot Location of End Point: nn	C	SW SW	True Vertical Depth: 13000
Feet From: SOUTH	1/4 Section Line: 660		End Point Location from
Feet From: WEST	1/4 Section Line: 660		Lease, Unit, or Property Line: 660

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[8/5/2022 - 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>
LOCATION EXCEPTION - 725962	<p>[8/18/2022 - G56] - (I.O.) 7-5N-21E X160300/160908 ATOKU, ATOKM, ATOKL, AKBAS, UNVL ENTRY NCT 660' FSL, NCT 660' FWL BHL NCT 1320' FNL, NCT 660' FWL ENERQUEST OIL & GAS LLC 6/6/2022</p>
MEMO	<p>[8/5/2022 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - BODY OF WATER). OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
SPACING - 160300	<p>[8/18/2022 - G56] - (640) 7-5N-21E EXT OTHERS EXT 55050/138615 AKBAS EXT 138615 ATOKU, ATOKL, UNVL, OTHERS</p>
SPACING - 160908	<p>[8/18/2022 - G56] - NPT ORDER 160300 CORRECTING PARAGRAPH 1(B) IN THE ORDER PORTION AS TO ATOKM LEGAL DESCRIPTION</p>

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.