

FORM NO. 22 R 10/09      SUBMIT IN QUADRUPPLICATE TO:      ARM 36.22.307  
 ARM 36.22.601

**MONTANA BOARD OF OIL AND GAS CONSERVATION**  
**2535 ST. JOHNS AVENUE, BILLINGS, MONTANA 59102**

Lease Name: **Dagney 33-21**

Lease Type (Private/State/Federal): **Private**

Application for Permit To:

Drill     Deepen     Re-enter   
 Oil     Gas     Other

Well Number: **#3H**

Operator: **Kraken Operating LLC**  
 Address: **9805 Katy Freeway Suite 300**  
 City: **Houston**    State: **TX**    Zip: **77024**  
 Telephone Number: **713-360-7705**

Field Name or Wildcat: **Wildcat**  
 Unit Name (if applicable): **N/A**

Surface Location of Well (quarter-quarter and footage measurements):  
**Lot 2 Sec 4 T25N R59E, 452' FNL 2322' FEL**

Objective Formation(s):  
**Bakken**

Proposed Total Depth and Bottom-hole Location(s) if directional or horizontal well:  
**TD 26,293' MD, 10,587' TVD**  
**NWNE Sec 21 T26N R59E, 205' FNL, 1860' FEL**

Township, Range, and Section:  
**Sec 4 T25N R59E**

County:  
**Richland County, MT**

Elevation (indicate GL or KB):  
**2229' GL**

Size and description of drilling/spacing unit and applicable order, if any:	Formation at total depth:	Anticipated Spud Date:
<b>1920 acres (Sections 21,28, &amp; 33 T26N-R59E), Docket 27-2020</b>	<b>Bakken</b>	<b>1/1/2021</b>

Hole Size	Casing Size	Weight / Foot	Grade (API)	Depth	Sacks of Cement	Type of Cement
13 1/2	9 5/8	36#	J-55	2165	686	See Attached
8 3/4	7	32#	P-110	10839	688	See Attached
6	4 1/2	13.5#	P-110	26293	839	See Attached

**Describe Proposed Operations:**  
 Describe or attach labeled diagram of blowout preventer equipment. Indicate if air drilled or describe mud program.  
 See attachments for details

Kraken Operating, LLC requests variance to not run open hole logs on the subject well. Offset logs can be found for the E. Owens 1-32 (API # : 25-083-21780), located SWSE Sec. 32 T26N R59E.

BOARD USE ONLY	
Approved (date) <b>JUN 18 2020</b>	Permit Fee <b>\$150.00</b>
By <b>[Signature]</b>	Check Number <b>34574</b>
Title <b>Petroleum Engineer</b>	Permit Expires <b>DEC 18 2020</b>
	Permit Number <b>32523</b>
API Number: 25 - <b>083 - 23392</b>	
The undersigned hereby certifies that the information contained on this application is true and correct:	
Signed (Agent) <b>[Signature]</b>	
Title <b>Sr. Drilling Engineer</b>	
Date <b>6/11/2020</b>	
Telephone Number <b>713-360-7705 EXT. 121</b>	

Samples Required: NONE  ALL \_\_\_\_\_ FROM \_\_\_\_\_ feet to \_\_\_\_\_ feet

Core chips to address below, full cores to USGS, Core Laboratory, Arvada, CO. Required samples must be **washed, dried** and delivered prepaid to:

Montana Board of Oil and Gas Conservation  
 2535 St. Johns Avenue  
 Billings, MT 59102

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SUPPLEMENTAL INFORMATION

MONTANA BOARD OF OIL & GAS CONSERVATION - BILLINGS

Note: Additional information or attachments may be required by Rule or by special request.

1. Attach a survey plat certified by a registered surveyor. The survey plat must show the location of the well with reference to the nearest lines of an established public survey.
2. Attach an 8 1/2 x 11" photocopy of that portion of a topographic map showing the well location, the access route from county or other established roads, residences, and water wells within a 1/2 mile radius of the well.
3. Attach a sketch of the well site showing the dimensions and orientation of the site, the size and location of pits, topsoil stockpile, and the estimated cut/fill at the corners and centerstake. (Note: the diagram need not be done by an engineer or surveyor). Attach a sketch of a top view and two side views of the reserve pit(s), if utilized. The reserve pit sketch must show the length, width, depth, cut and fill, amount of freeboard, area of topsoil stockpile, and the height and width of berms.
4. Describe the type and amount of material or liner, if any, to be used to seal the reserve pit. If a synthetic liner is used, indicate the liner thickness (mils), bursting strength, tensile strength, tear strength, puncture resistance, hydrostatic resistance, or attach the manufacturer's specifications.
5. Describe the proposed plan for the treatment and/or the disposal of reserve pit fluids and solids after the well is drilled. If the operator intends to dispose of or treat the reserve pit contents off-site, specify the location and the method of waste treatment and disposal. (Note: The operator must comply with all applicable federal, state, county, and local laws and regulations with regard to the handling, transportation, treatment, and disposal of solid wastes.)
6. Does construction of the access road or location, or some other aspect of the drilling operation require additional federal, state, or local permits or authorizations? If yes, indicate the type of permit or authorization required:
  - No additional permits needed
  - Stream crossing permit (apply through county conservation district)
  - Air quality permit (apply through Montana Department of Environmental Quality)
  - Water discharge permit (apply through Montana Department of Environmental Quality)
  - Water use permit (apply through Montana Department of Natural Resources and Conservation)
  - Solid waste disposal permit (apply through Montana Department of Environmental Quality)
  - State lands drilling authorization (apply through Montana Department of Natural Resources and Conservation)
  - Federal drilling permit (specify agency)
  - Other federal, state, county, or local permit or authorization: (specify type) \_\_\_\_\_

NOTICES:

1. Date and time of spudding must be reported to the Board verbally or in writing within 72 hours after the commencement of drilling operations.
2. The operator must give notice of drilling operations to the surface owner as required by Section 82-10-503, MCA, before the commencement of any surface activity.

BOARD USE ONLY

CONDITIONS OF APPROVAL

The operator must comply with the following condition(s) of approval:

WARNING: Failure to comply with conditions of approval may void this permit.

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MONTANA BOARD OF OIL & GAS CONSERVATION - BILLINGS

Kraken Operating, LLC Proposed Well Stimulation

Total Clean Fluid – 235,000 bbls

Maximum Anticipated Treating Pressure – 9,800 psi

Hydraulic Fracturing Fluid Components Information Disclosure:

Trade Name	Supplier	Purpose	Ingredients	Chemical Abstract Service Number (CAS #)	Maximum Ingredient Concentration in Additive (% by mass)**	Mass per Component (LBS)	Maximum Ingredient Concentration in HF Fluid (% by mass)**
Water	Operator	Carrier	Carrier	7732-18-5	100.00%	82,315,800.00	84.06572%
Surf-Flo 430	Innospec	Flowback Additive	MSDS and Non-MSDS Ingredients Listed Below			7,435.80	0.00759%
FRP-1S	Liberty Oilfield Services	Friction reduction	MSDS and Non-MSDS Ingredients Listed Below			252,853.79	0.25823%
DVA-75	Liberty Oilfield Services	Diverting Agent	MSDS and Non-MSDS Ingredients Listed Below			469.00	0.00048%
Bloclear 5000	Lubrizol	Biocides	MSDS and Non-MSDS Ingredients Listed Below			8,387.32	0.00857%
ScaleCease 7103	Innospec	Scale Inhibitor	MSDS and Non-MSDS Ingredients Listed Below			15,850.17	0.01619%
HCL-15	Liberty Oilfield Services	Solvent	MSDS and Non-MSDS Ingredients Listed Below			17,295.26	0.01766%
ACI-300	WST	Corrosion Inhibitor	MSDS and Non-MSDS Ingredients Listed Below			67.43	0.00007%
WA-100	WST	Wetting Agent	MSDS and Non-MSDS Ingredients Listed Below			34.79	0.00004%
IC-50S	WST	Iron Control	MSDS and Non-MSDS Ingredients Listed Below			125.74	0.00013%
Liberty Clean Out	Liberty Oilfield Services	Cleanup Solution	MSDS and Non-MSDS Ingredients Listed Below			74.86	0.00008%
Crystalline Silica	Liberty Oilfield Services	Sand	MSDS and Non-MSDS Ingredients Listed Below			15,300,000.00	15.62508%
The trade name(s) of the additive(s) used, supplier(s), and the purpose(s) of the additive(s) for the above additive(s) are listed below.							
	Liberty Oilfield Services	Sand	Crystalline Silica (quartz)	14808-60-7	99.90%	15,284,700.00	15.60963%
	Liberty Oilfield Services	Sand	Aluminum Oxide	1344-28-1	1.00%	153,000.00	0.15625%
	Liberty Oilfield Services	Friction reduction	Petroleum distillates, hydro-treated light	64742-47-8	45.00%	113,784.20	0.11620%
	Liberty Oilfield Services	Sand	Iron Oxide	1309-37-1	0.10%	15,300.00	0.01563%
	Liberty Oilfield Services	Sand	Titanium Oxide	13463-67-7	0.10%	15,300.00	0.01563%
	Innospec	Scale Inhibitor	Water	7732-18-5	95.00%	15,057.66	0.01538%
	Liberty Oilfield Services	Solvent	Water	7732-18-5	85.00%	14,700.97	0.01501%
	Liberty Oilfield Services	Friction reduction	Poly(oxy-1,2-ethanediyl), a-tridecyl-w-hydroxy-, branched	69011-36-5	3.00%	7,585.61	0.00775%
	Innospec	Flowback Additive	Water	7732-18-5	95.00%	7,064.01	0.00721%
	Liberty Oilfield Services	Solvent	Hydrochloric Acid	7647-01-0	15.00%	2,594.29	0.00265%
	Lubrizol	Biocides	2,2-dibromo-3-nitropropanamide	10222-01-2	10.00%	838.73	0.00086%
	Innospec	Scale Inhibitor	BHMT Phosphonate	Proprietary	5.00%	792.51	0.00081%
	Innospec	Scale Inhibitor	Proprietary Ingredient	Proprietary	5.00%	792.51	0.00081%
	Innospec	Flowback Additive	Benzenesulfonic Acid, dodecyl- comp, with 2-aminoethanol	26836-07-7	10.00%	743.58	0.00076%
	Innospec	Flowback Additive	Dodecylbenzene sulfonate, triethanolamine salt	27323-41-7	10.00%	743.58	0.00076%
	Liberty Oilfield Services	Diverting Agent	Poly(lactide Resin	9051-89-2	100.00%	469.00	0.00048%
	Innospec	Flowback Additive	Sodium Alpha Olefin Sulfonate	68439-57-6	5.00%	371.79	0.00038%
	WST	Iron Control	2-hydroxypropane-1,2,3-tricarboxylic acid	77-92-9	60.00%	75.45	0.00008%
	Liberty Oilfield Services	Cleanup Solution	Oxygenate and paraffinic stream	876065-86-0	99.00%	74.11	0.00008%
	WST	Wetting Agent	Ethoxylated Decyl Alcohol	78330-20-8	40.00%	13.92	0.00001%
	WST	Corrosion Inhibitor	2-Propyl-1-ol compound with methoxurane	38172-91-7	15.00%	10.11	0.00001%
	Liberty Oilfield Services	Cleanup Solution	C.I. Solvent Yellow 33	8003-22-3	1.00%	0.75	0.00000%
	Innospec	Flowback Additive	Triethanolamine	103-71-6	0.01%	0.67	0.00000%
	Innospec	Flowback Additive	Ethanolamine	141-43-5	0.01%	0.67	0.00000%