

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

API NUMBER: 137 26976

Approval Date: 12/17/2012
Expiration Date: 06/17/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 2S Rge: 6W County: STEPHENS
SPOT LOCATION: N2 SE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 985 1650

Lease Name: PAUL RAY Well No: 1 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: JASMINE INC Telephone: 5802526930 OTC/OCC Number: 17839 0

JASMINE INC
P.O. Box 1103
DUNCAN, OK 73534-1103

PAUL RAY DOYLE
P.O. BOX 1088
DUNCAN OK 73534

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

Name	Depth	Name	Depth
1 HOXBAR	3455	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 601509

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4000

Ground Elevation: 1013

Surface Casing: 120

Depth to base of Treatable Water-Bearing FM: 70

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

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: GARBER

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 12-22156

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

Notes:

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

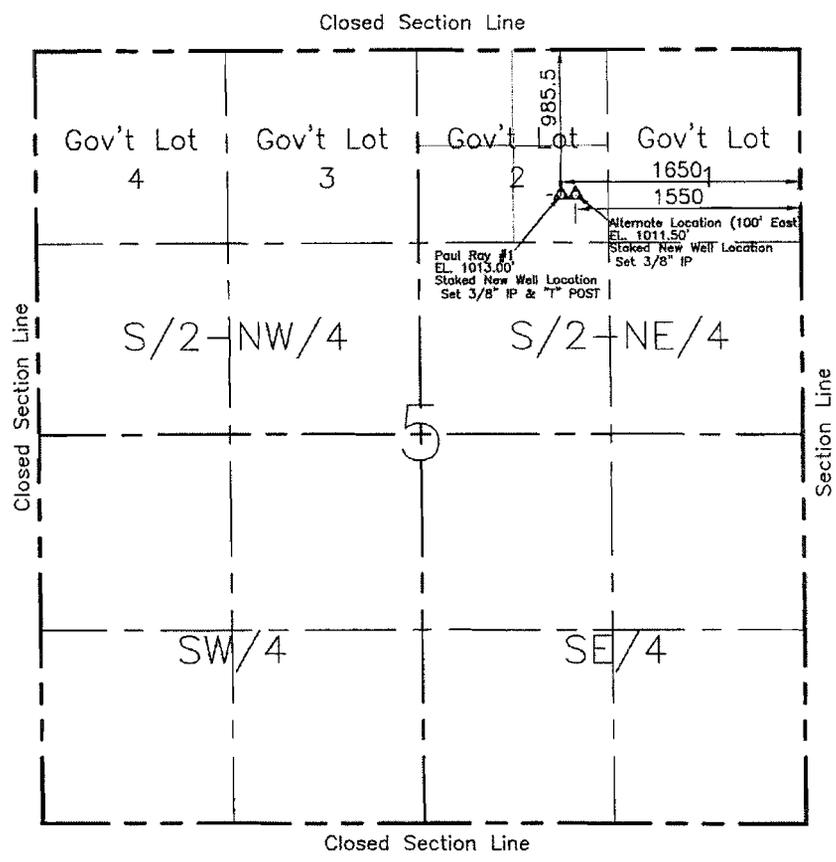
137 26976 PAUL RAY 1

Category	Description
SPACING - 601509	12/11/2012 - G75 - (40) W2 NE4 5-2S-6W VAC 46708 NCHLS W2 NE4 EST HXBR, OTHERS
SURFACE LOCATION	12/17/2012 - G75 - 985' FNL, 1650' FEL NE4 5-2S-6W PER SURVEY PLAT

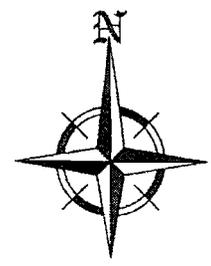
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137 26976 PAUL RAY 1

ADI
137-26976



OKLAHOMA ENERGY EXCHANGE LLC



COUNTY OF STEPHENS
STATE OF OKLAHOMA

SURVEYOR'S CERTIFICATE

I Albert C. McDonald, Jr., a registered Professional Land Surveyor, in the State of Oklahoma, do hereby certify that a careful survey was made under my direction of the herein described Well Location as follows:

PAUL RAY #1 EL. 1013.00'
985.5 feet FNL and 1650 feet FEL of the NE/4, (C-SE-NW-NE), (Gov't Lot #2) in Section 5, Township 2 South, Range 6 West, I.M. Stephens County, Oklahoma.

Witness my hand and seal this 14th Day of DEC, 2012.

Signed: Albert C. McDonald, Jr.
Albert C. McDonald, Jr. RPLS #615 (Exp. 08/31/2014)
CA #2141 (Exp. 06/30/2013)



SCANNED

WELL NAME PAUL RAY #1	ELEVATION: 1013.00' A.S.L.	QUADRANGLE: USGS Quad Harrisburg, OK 7.5 Min.	SECTION COORDINATES: 985.5' From North Line 1650' From East Line Sec. 5-T2S-R6W
SCALE: 1" = 1000'	DRAWN BY: J. Anderson	OPERATOR: Oklahoma Energy Exchange LLC P.O. Box 1105 Duncan, OK 73534	
DATE: 12/14/2012	PROJECT: 8068-12-12	NOTES: Well location falls on East down slope of pond dam (bad location) Staked alternate location 100' East (Timber)	
McDONALD SURVEYING & MAPPING, P.C. RPLS 615 / CA 2141 2506 Country Club Rd Duncan, Oklahoma 73533 580-252-2268 - Fax: 255-3539 - mcdonaldsurveys@cablone.net			