

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

API NUMBER: 137 26909 A

Approval Date: 12/19/2012
Expiration Date: 06/19/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 1S Rge: 5W County: STEPHENS
SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 165 795

Lease Name: SANNER (WEST) Well No: 16 Well will be 165 feet from nearest unit or lease boundary.

Operator Name: PRUITT OPERATING COMPANY LLC Telephone: 5804675973 OTC/OCC Number: 17710 0

PRUITT OPERATING COMPANY LLC
RR 1 BOX 16
RATLIFF CITY, OK 73481-9704

JOE STEWART
PO BOX 545
VELMA OK 73491

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

Name	Depth	Name	Depth
1 PERMIAN	750	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 767 Ground Elevation: 0 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 130

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: PURCELL

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL REQUIRED

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.

Category	Description
ALTERNATE CASING	12/18/2012 - G71 - APPROVED CONTINGENT ON IMMEDIATELY SUBMITTING CBL TO AND REVIEWED BY OCC STAFF PRIOR TO ANY COMPLETION WORK
SPACING	12/19/2012 - G30 - FORMATION UNSPACED, 40 ACRE LEASE (SW SW)

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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.