

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

API NUMBER: 153 21623 A

Approval Date: 07/11/2013
Expiration Date: 01/11/2014

Straight Hole Oil & Gas

PERMIT TO RE-ENTER

WELL LOCATION: Sec: 02 Twp: 22N Rge: 20W County: WOODWARD
SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 660 1830

Lease Name: LEMARR Well No: 1 Well will be 810 feet from nearest unit or lease boundary.
Operator Name: STEPHENS EXPLORATION INC Telephone: 2148900600 OTC/OCC Number: 17865 0

STEPHENS EXPLORATION INC
P.O. Box 797866
DALLAS, TX 75379-7866

THOMAS LEMARR
211 SW 8TH
PLAINVILLE KS 67663

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

Name	Depth	Name	Depth
1 TONKAWA	6100	6 MORROW SAND	7700
2 COTTAGE GROVE	6600	7 CHESTER	8100
3 MARMATON	7000	8	
4 RED FORK	7200	9	
5 ATOKA	7600	10	

Spacing Orders: 280353 Location Exception Orders: 613520 Increased Density Orders:
153232
42740

Pending CD Numbers: Special Orders:
Total Depth: 8290 Ground Elevation: 1907 **Surface Casing: 1105 IP** Depth to base of Treatable Water-Bearing FM: 250

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: 45000 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.

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

Category of Pit: 1B
Liner required for Category: 1B
Pit Location is BED AQUIFER
Pit Location Formation: RUSH SPRINGS

Additional Surface Owner	Address	City, State, Zip
FLOYD L. SCHANBACHER	2066 E. MESSNER RD.	WOOSTER, OH 44691

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.

Notes:

Category	Description
LOCATION EXCEPTION - 613520	7/11/2013 - G75 - 2-22N-20W X42740 MWSD X153232 CGGV X280353 TNKW, MRMN, RDFK, ATOK, CSTR 1980 FNL, 810 FEL STEPHENS EXPLOR., INC. 7-8-2013
SPACING - 153232	7/11/2013 - G75 - (640) 2-22N-20W EXT 63509 CGGV
SPACING - 280353	7/11/2013 - G75 - (640) 2-22N-20W EXT 221068 TNKW, RDFK, CSTR EST MRMN, ATOK, OTHER
SPACING - 42740	7/11/2013 - G75 - (640) ALL-22N-20W EXT 34681 MWSD

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.