

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

API NUMBER: 071 24605 A

Approval Date: 11/06/2012
Expiration Date: 05/06/2013

Straight Hole Oil & Gas

Amend reason: ADD FORMATION

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 29N Rge: 1E

County: KAY

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1650 330

Lease Name: PARKER

Well No: 18

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: DEMCO OIL & GAS COMPANY

Telephone: 5803634223

OTC/OCC Number: 7223 0

DEMCO OIL & GAS COMPANY
1335 S 6TH ST
BLACKWELL, OK 74631-4203

JEAN P HAYES DECLARATION OF TRUST
143 STONYBROOK ROAD
MIDDLEBURY CT 6762

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

| | Name | Depth | Name | Depth | |
|---|--------------|-------|------|------------------|------|
| 1 | HOTSON | 650 | 6 | MISSISSIPPI CHAT | 3411 |
| 2 | NEWKIRK SD | 1450 | 7 | | |
| 3 | HOOVER | 1947 | 8 | | |
| 4 | CLEVELAND | 3043 | 9 | | |
| 5 | BARTLESVILLE | 3387 | 10 | | |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3475

Ground Elevation: 1086

Surface Casing: 220

Depth to base of Treatable Water-Bearing FM: 170

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: 2500 Average: 2000

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: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

SPACING

1/8/2014 - G30 - FORMATIONS UNSPACED, 160 ACRE LEASE (NE4)

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.

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