

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

API NUMBER: 071 24758

Approval Date: 05/12/2014

Expiration Date: 11/12/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 25N Rge: 1E County: KAY
SPOT LOCATION: SW NE NE SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2258 2304

Lease Name: PHIPPS Well No: 23-3 Well will be 336 feet from nearest unit or lease boundary.
Operator Name: INTERNATIONAL ENERGY CORPORATION Telephone: 9187437300 OTC/OCC Number: 22390 0

INTERNATIONAL ENERGY CORPORATION
1801 E 71ST ST
TULSA, OK 74136-3922

H.T. RANCH, LLC
4108 E. 47TH ST.
TULSA OK 74135

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

Name	Depth	Name	Depth
1 LAYTON	2953	6 WOODFORD	4371
2 CLEVELAND	3331	7 WILCOX	4418
3 SKINNER	3751	8	
4 RED FORK	3804	9	
5 MISSISSIPPI	4000	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4800

Ground Elevation: 933

Surface Casing: 250

Depth to base of Treatable Water-Bearing FM: 140

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-27042
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, 20-MIL LINED TRENCH
PIT FOR SOIL FARMING

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
FRAC FOCUS	5/7/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING	5/12/2014 - G75 - FORMATIONS UNSPACED; 80-ACRE LEASE (E2 SE4)
SURFACE CASING	5/7/2014 - G71 - MIN. 250' PER ORDER # 240901

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.