

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

API NUMBER: 075 21997

Approval Date: 06/03/2014  
Expiration Date: 12/03/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 7N Rge: 18W County: KIOWA  
SPOT LOCATION:  NW  NW  NE  SE FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 2370 1620

Lease Name: STATELAND 13 Well No: 2 Well will be 270 feet from nearest unit or lease boundary.  
Operator Name: BROWN & BORELLI INC Telephone: 4053755788 OTC/OCC Number: 2570 0

BROWN & BORELLI INC  
PO BOX 747  
KINGFISHER, OK 73750-0747

COMMISSIONERS OF THE LAND OFFICE  
P O BOX 26910  
OKLAHOMA CITY OK 73126

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

Name	Depth	Name	Depth
1 HOBART /HOBART GRANITE WASH	1400	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 13220

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1800 Ground Elevation: 1660 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 300

**Cement will be circulated by use of a two-stage cementing tool from 400 to 0 .**

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: 2000 Average: 1500

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: DUNCAN

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	5/28/2014 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: (1) MUD UP PRIOR TO TD TO PROTECT SHALLOW SANDS, (2) 2-STAGE CEMENTING TOOL TO BE SET AT 100' BELOW BTW, & (3) COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)
FRAC FOCUS	5/28/2014 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING -13220	6/2/2014 - G72 - (10) 13-7N-18W EST HBRT

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