

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

API NUMBER: 071 24769

Approval Date: 06/20/2014

Expiration Date: 12/20/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 25N Rge: 2W County: KAY
SPOT LOCATION: C E2 NE NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1980 2310

Lease Name: ONA MAE Well No: 1-3 Well will be 330 feet from nearest unit or lease boundary.

Operator Name: PALM OIL & GAS COMPANY Telephone: 9282045650 OTC/OCC Number: 15874 0

PALM OIL & GAS COMPANY
PO BOX 4808
SEDONA, AZ 86340-4808

ONA MAE FATH
13200 WEST HIGHLAND AVENUE
TONKAWA OK 74653

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

Name	Depth	Name	Depth
1 HOTSON	1100	6 MISSISSIPPI CHAT	4375
2 ENDICOTT	2600	7 MISSISSIPPI LIME	4550
3 TONKAWA	3200	8 WOODFORD	4600
4 LAYTON	3400	9 WILCOX	4690
5 OSWEGO	3900	10 ARBUCKLE	4800

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4900

Ground Elevation: 960

Surface Casing: 480

Depth to base of Treatable Water-Bearing FM: 430

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 3000 Average: 2500

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: 1B

Liner required for Category: 1B

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT PER OCC FIELD INSPECTOR, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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	6/20/2014 - 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	6/20/2014 - G75 - FORMATIONS UNSPACED; 160-ACRE LEASE (NE4)

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