

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

API NUMBER: 137 27329

Approval Date: 09/22/2014  
Expiration Date: 03/22/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 1S Rge: 6W County: STEPHENS  
SPOT LOCATION:  C  NE  NE  SE FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 2310 2310

Lease Name: SLEDGE E Well No: 3 Well will be 330 feet from nearest unit or lease boundary.  
Operator Name: HARMON C E OIL INC Telephone: 9186638515 OTC/OCC Number: 10266 0

HARMON C E OIL INC  
5555 E 71ST ST STE 9300  
TULSA, OK 74136-6559

LONIELL W & DAWN DENNIS  
ROUTE 3, BOX 60 F  
DUNCAN OK 73533

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

	Name	Depth	Name	Depth
1	HOXBAR	1600	6	
2	DEESE	3600	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5300 Ground Elevation: 1092 **Surface Casing: 570** Depth to base of Treatable Water-Bearing FM: 520

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: 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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: PURCELL

Approved Method for disposal of Drilling Fluids:

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

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	9/22/2014 - 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	9/22/2014 - G91 - FORMATIONS UNSPACED; 40-ACRE LEASE (NE4 SE4)

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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.