

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

API NUMBER: 137 27330

Approval Date: 09/26/2014
Expiration Date: 03/26/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 1N Rge: 5W County: STEPHENS
SPOT LOCATION: C NE NW SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2310 990

Lease Name: S. GRAHAM Well No: 1 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: LATIGO DRILLING CORPORATION Telephone: 5802551674 OTC/OCC Number: 19522 0

LATIGO DRILLING CORPORATION
PO BOX 2150
DUNCAN, OK 73534-2150

NANCY BURTON
ROUTE 3, BOX 152
MARLOW OK 73055

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

Name	Depth	Name	Depth
1 PERMIAN	1	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 311912

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 2000 Ground Elevation: 1126 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 760

Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.

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: 1500

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is BED AQUIFER

Pit Location Formation: BISON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. 20-MIL PIT LINER REQUIRED

Additional Surface Owner	Address	City, State, Zip
CAROL STEWART	P.O. BOX 534	HEALDTON, OK 73438
FRANCES CARNEY	895 MARK TWAIN DR.	FLORISSANT, MO 63031
SIDNEY GRAHAM	1422 E. HIGH STREET	MOUNT PLEASANT, MI 48858

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.

Notes:

Category

Description

ALTERNATE CASING	9/3/2014 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH; AND, 2) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4)(C)
FRAC FOCUS	9/3/2014 - 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
PUBLIC WATER SUPPLY WELL	9/3/2014 - G71 - LAKE FUGUA CONCESSION, 1 PWS/WPA, SE4 36-2N-5W
SPACING - 311912	9/26/2014 - G75 - (40) 1-1N-5W VAC 185524 PRMN EXT 309875 PRMN

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