

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

API NUMBER: 071 24821

Approval Date: 10/21/2014
Expiration Date: 04/21/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 25N Rge: 2W County: KAY
SPOT LOCATION: C NE SW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 1650 990

Lease Name: ROSEMARY Well No: 2 Well will be 990 feet from nearest unit or lease boundary.
Operator Name: MARJO OPERATING COMPANY INC Telephone: 9185830241 OTC/OCC Number: 19301 0

MARJO OPERATING COMPANY INC
PO BOX 729
TULSA, OK 74101-0729

ROSEMARY SCOTT
304 S 2ND STREET
C/O SALLY SCOTT
TONKAWA OK 74653

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

Name	Depth	Name	Depth
1 SAMS	1722	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1850 Ground Elevation: 1010 **Surface Casing: 520** Depth to base of Treatable Water-Bearing FM: 470

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: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 - G76 - 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	10/21/2014 - G76 - FORMATION UNSPACED; 160-ACRE LEASE (NW4)

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