

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

API NUMBER: 137 27374

Approval Date: 10/31/2014
Expiration Date: 04/30/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 1S Rge: 5W County: STEPHENS
SPOT LOCATION: NE SW NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1815 500

Lease Name: SANNER Well No: 34 Well will be 495 feet from nearest unit or lease boundary.
Operator Name: HAYS PRODUCTION LLC Telephone: 5804442852 OTC/OCC Number: 21141 0

HAYS PRODUCTION LLC
PO BOX 726
VELMA, OK 73491-0726

JOE STEWART
P.O. BOX 545
VELMA OK 73491

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

Name	Depth	Name	Depth
1 PERMAN	600	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: 700 Ground Elevation: 1053 Surface Casing: 0 Depth to base of Treatable Water-Bearing FM: 120

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: 1000 Average: 500

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:

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	8/7/2014 - G71 - APPROVED CONTINGENT ON (1) MUDDING UP PRIOR TO TD TO PROTECT SHALLOW SANDS & (2) 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	8/7/2014 - 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	10/24/2014 - G76 - FORMATION UNSPACED; 40-ACRE LEASE (W2 NW4 SW4, SE4 NW4 SW4 & SW4 NE4 SW4)

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