

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

API NUMBER: 137 27377

Approval Date: 11/13/2014
Expiration Date: 05/13/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 3S Rge: 4W County: STEPHENS
SPOT LOCATION: NE SW NE SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1748 1915

Lease Name: THUNDER Well No: 1-18 Well will be 725 feet from nearest unit or lease boundary.
Operator Name: HMD OIL COMPANY INC Telephone: 5803194377 OTC/OCC Number: 22925 0

HMD OIL COMPANY INC
911 W BROADWAY ST STE 204
ARDMORE, OK 73401-4528

VERNON DUNN
HC 64 BOX 2250
LOCO OK 73442

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

	Name	Depth	Name	Depth
1	HOXBAR	1000	6	
2	DEESE	1800	7	
3	ARBUCKLE	2000	8	
4			9	
5			10	

Spacing Orders: 586558
630864

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 2400 Ground Elevation: 965 **Surface Casing: 230** Depth to base of Treatable Water-Bearing FM: 180

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: 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	10/15/2014 - 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 - 586558	11/13/2014 - G76 - (160) S2 & NW4 18-3S-4W EXT 349645 HXBR EXT 543697 ABCK EST OTHER
SPACING - 630864	11/13/2014 - G76 - (160) SE4 18-3S-4W EXT 100885 DEESS

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