

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

API NUMBER: 075 22000

Approval Date: 11/24/2014

Expiration Date: 05/24/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 30 Twp: 6N Rge: 16W County: KIOWA

SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 165 1950

Lease Name: FUCHS

Well No: KS 2

Well will be 165 feet from nearest unit or lease boundary.

Operator Name: NEOSHO OPERATING SERVICES LLC

Telephone: 4174511645

OTC/OCC Number: 22958 0

NEOSHO OPERATING SERVICES LLC
PO BOX 179
NEOSHO, MO 64850-0179

B LESTER
100 N BAILEY
HOBART OK 73651

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

	Name	Depth	Name	Depth
1	ATOKAN	330	6	
2	HUNTON	525	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 550

Ground Elevation: 678

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 40

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: AIR

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: HENNESSEY

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	11/24/2014 - G76 - APPROVED - 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	11/24/2014 - 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	11/24/2014 - G76 - FORMATIONS UNSPACED; 160-ACRE LEASE (SE4)

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.

APPLICATION TO DRILL, RECOMPLETE OR REENTER

FILE ORIGINAL ONLY PLEASE TYPE OR USE BLACK INK

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

BATCH NUMBER (OCC USE ONLY)

1. OTC/OCC OPERATOR NUMBER 22958
2. API NUMBER

3. NOTICE OF INTENT TO: (CHECK ONLY ONE)
[X] DRILL RECOMPLETE REENTER DEEPEN AMEND - REASON
4. TYPE OF DRILLING OPERATION >>>>>>>> (NOTE: If directional or horizontal, see reverse side for bottom hole location)
A. [X] STRAIGHT HOLE DIRECTIONAL HOLE HORIZONTAL HOLE
B. [X] OIL/GAS INJECTION DISPOSAL WATER SUPPLY STRAT TEST SERVICE WELL

5. WELL LOCATION: SECTION 30 TOWNSHIP 06W RANGE 16N COUNTY Kiowa
SPOT LOCATION: S/E 1/4 | S/W 1/4 | S/E 1/4 | S/E 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE SECTION LINES: 165 FSL 1950 FWL

7. Well will be 165 feet from nearest unit or property boundary.
8. LEASE NAME: FUCHS WELL NUMBER: KS #2
9. NAME OF OPERATOR: Neosho Operating Service, LLC EMAIL ADDRESS:
ADDRESS: BOX 179 1101 E 71st St N PHONE (AC/NUMBER): 917 491 1645 918 340 0128
CITY: NEOSHO Tulsa STATE: MO OK ZIP CODE: 64850 73651

10. SURFACE OWNER (ONE ONLY, ATTACH SHEET FOR ADDITIONAL OWNERS) B. Lester
ADDRESS: 100 N Bailey
CITY: Hobart STATE: OK ZIP CODE: 73651

11. Is well located on lands under federal jurisdiction? Y X N
12. Will a water well be drilled? Y X N Will surface water be used? Y X N
13. Date Operation to Begin ASAP

14. LIST TARGET FORMATIONS AND DEPTHS OF EACH BELOW (LIMITED TO TEN)
1) Granit Wash 330' Atokan 6)
2) Hunton Lime 525' 7)
3) 8)
4) 9)
5) 10) Expiration Date: 12-2-2014

15. SPACING ORDER NUMBER(S) AND SIZE UNIT(S): none
16. PENDING APPLICATION C.D. NO.
17. LOCATION EXCEPTION ORDER NO.
18. INCREASED DENSITY ORDER NO. 165-10-3-1

19. TOTAL DEPTH 550 20. GROUND ELEV. 678 21. BASE OF TREATABLE WATER 110 40 22. SURFACE CASING N/A 23. ALT CASING PROG USED? X Y N

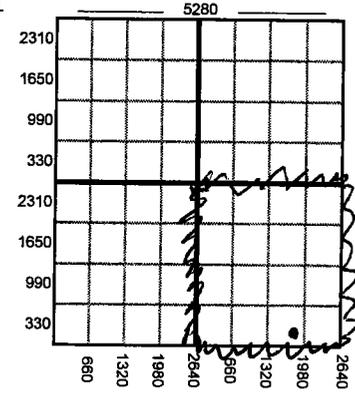
24. ALTERNATIVE CASING PROCEDURE, check box and fill in blank (AFFIDAVIT REQUIRED, see reverse side, line 31.)
[X] A. Cement will be circulated from total depth to ground surface on the production casing string. Alternate Casing Approved
B. Cement will be circulated from depth to depth by use of a two stage cementing tool.
25.1. PIT INFORMATION: Using more than one pit or mud system? Y X N If yes, fill out line 25.2 on top reverse side.
A. TYPE OF MUD SYSTEM: WATER BASED OIL BASED X GAS BASED (AIR DRILL)
B. EXPECTED MUD CHLORIDE CONTENT: maximum: N/A ppm; average: N/A ppm.
C. TYPE OF PIT SYSTEM: X on-site off-site closed If off-site, specify location: X Y N
D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? X Y N
E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y X N
F. WELLHEAD PROTECTION AREA? Y X N Off-Site Pit No.

26.1 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C
B. PIT LOCATION: Alluvial Plain Terrace Deposit Bedrock Aquifer Other H.S.A. X Non-H.S.A. Fr: Hennessey
C. Special area or field rule? D. DEEP SCA? Y N E. CBL required? Y N
F. SOIL COMPACTED LINER REQUIRED? Y X N G. 20 mil GEOMEMBRANE LINER REQUIRED? Y X N

27. PROPOSED METHOD FOR DISPOSAL OF DRILLING FLUIDS (MUST BE COMPLETED)
[X] A. Evaporation/dewater and backfilling of reserve pit.
B. Public Landfill: Location
C. Annular Injection (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.) PERMIT NO
D. One time land application (REQUIRES PERMIT) PERMIT NO
E. Haul to Commercial pit facility; Specify site: Order No.
F. Haul to Commercial soil farming facility; Specify site: Order No.
G. Haul to recycling/re-use facility; Specify site: Order No.
H. Other, Specify:

I hereby certify I am authorized to submit this two page application prepared by me or under my supervision. The facts and proposals made herein are true, correct and complete to the best of my knowledge and belief.
SIGNATURE: Kevin Stonecipher NAME (Print or Type) Kevin Stonecipher PHONE (AC/NO.) 9183520128 FAX 9183405131 DATE 11 19 2014

NOTICE: Approval is void if operations have not commenced within six months of the date of approval. An approved permit must be posted at the location during drilling and completion operations. File the Form 1001A, Spud Report, within fourteen days of commencement of operations.



SEC 30 TOWNSHIP 06W RANGE 16N WELL NAME KS #2

TEMPORARY AUTHORIZATION TO DRILL

Expiration Date: 12-2-2014 Signature: [Handwritten Signature]

API 075-22000

NOTIFY DISTRICT OFFICE 24 HOURS PRIOR TO CEMENTING SURFACE CASING.

25.2. PIT INFORMATION:

- A. TYPE OF MUD SYSTEM: WATER BASED OIL BASED GAS BASED (AIR DRILL)
- B. EXPECTED MUD CHLORIDE CONTENT: maximum: _____ ppm; average: _____ ppm.
- C. TYPE OF PIT SYSTEM: on-site off-site closed If off-site, specify location: _____
- D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? Y N
- E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y N
- F. WELLHEAD PROTECTION AREA? Y N

Off-Site Pit No. _____

26.2 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C Fm: _____

B. PIT LOCATION: Alluvial Plain Terrace Deposit Bedrock Aquifer Other H.S.A. Non-H.S.A.

C. Special area or field rule? _____ D. DEEP SCA? Y N E. CBL? Y N

F. SOIL COMPACTED LINER REQUIRED? Y N G. 20 mil GEOMEMBRANE LINER REQUIRED Y N

29 Bottom Hole Location SEC _____ TWP _____ RGE _____ COUNTY _____

for Directional Hole:

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER SECTION LINES: from SOUTH LINE _____ from WEST LINE _____

Measured Total Depth _____ True Vertical Depth _____ BHL from nearest Lease, Unit, Or Property Line: _____

30 Bottom Hole Location for Horizontal Hole: (LATERALS)

LATERAL #1: SEC _____ TWP _____ RGE _____ COUNTY _____

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER SECTION LINES: from SOUTH LINE _____ from WEST LINE _____

Depth of Deviation _____ Radius of Turn _____ Direction _____ Total Length _____

Measured Total Depth _____ True Vertical Depth _____ End Point location from nearest lease, unit or property line: _____

LATERAL #2: SEC _____ TWP _____ RGE _____ COUNTY _____

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER SECTION LINES: from SOUTH LINE _____ from WEST LINE _____

Depth of Deviation _____ Radius of Turn _____ Direction _____ Total Length _____

Measured Total Depth _____ True Vertical Depth _____ End Point location from nearest lease, unit or property line: _____

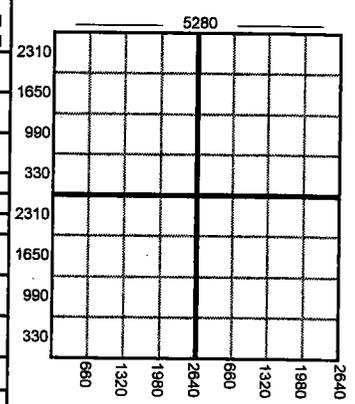
LATERAL #3: SEC _____ TWP _____ RGE _____ COUNTY _____

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER SECTION LINES: from SOUTH LINE _____ from WEST LINE _____

Depth of Deviation _____ Radius of Turn _____ Direction _____ Total Length _____

Measured Total Depth _____ True Vertical Depth _____ End Point location from nearest lease, unit or property line: _____

28. Locate Bottom Hole



1. If more than two drainholes are proposed, attach separate sheet indicating the necessary information.
2. Direction must be stated in degrees azimuth.
3. Please note the horizontal drainhole and its end point must be located within the legal boundaries of the lease or spacing unit. Directional surveys are required for all drainholes and directional wells.

31. AFFIDAVIT FOR ALTERNATIVE CASING PROGRAM

(Signature on front of this form attests to this affidavit)

1. This well WILL WILL NOT penetrate any known lost circulation zones.
2. During the drilling of this well, withdrawals from any water well within 1/4 mile WILL WILL NOT exceed 50 gallons per minute.
3. The projected depth of the well IS IS NOT less than 100 feet from the top of any enhanced recovery project or gas storage facility.
4. List the following for all water wells within 1/4 mile of this well. (Information concerning some water wells may be obtained from the OKLAHOMA WATER RESOURCES BOARD, 3800 N. Classen Blvd., Oklahoma City, OK 73118). IF NO WATER WELLS FOUND, SO STATE. (ATTACH ADDITIONAL SHEET IF NECESSARY)

Name of Owner/Operator	Address of Owner/Operator	Location (Nearest 1/4 1/4 1/4 1/4)	Depth of Well
none			

5. A cement bond log is required to be run and submitted from not less than 100 feet below the base of the treatable water-bearing formation to the surface. **OCC USE ONLY**
6. If casing depth is more than 250 feet deeper than base of the treatable water-bearing formation, operator must submit a letter of request listing reasons and precautions to be taken.

INTENT TO DRILL CHECKLIST

OCC USE ONLY

OCC USE ONLY

APPROVED

REJECTED _____

1. SURETY
 - A. NONE filed.
 - B. EXPIRED: Date 1-25-15
 - C. OUTSTANDING CONTEMPT ORDER.

4. GEOLOGY _____

DO NOT WRITE INSIDE THIS BOX

Case: 000000000
 Payor: NEOSHO OPERATING
 Check: 10179
 \$500.00
 45 Emerg Walk Thru ITD

Date: 11/20/2014 Time: 14:07
 RECEIPT 1503640012
 OKLA CORP COMM