

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

API NUMBER: 071 24831

Approval Date: 12/05/2014
Expiration Date: 06/05/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 27N Rge: 3E County: KAY
SPOT LOCATION: C N2 SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 990 1980

Lease Name: NEIL Well No: 1 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: STORMY 8 OPERATING LLC Telephone: 4052155965 OTC/OCC Number: 23595 0

STORMY 8 OPERATING LLC
PO BOX 696
CLEVELAND, OK 74020

LONNIE L & SHIRLEY A MORRIS
P O BOX 1172
ARKANSAS CITY KS 67005

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

Name	Depth	Name	Depth
1 NEWKIRK	1250	6 MISSISSIPPIAN	2850
2 PAWHUSKA	1800	7 WILCOX	3150
3 CLEVELAND	2300	8	
4 OSWEGO	2500	9	
5 RED FORK	2750	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3300 Ground Elevation: 0 **Surface Casing: 270** Depth to base of Treatable Water-Bearing FM: 220

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: OSCAR

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	12/5/2014 - 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	12/5/2014 - G91 - FORMATIONS UNSPACED; 80-ACRE LEASE (S2 SW4)

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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.