

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

API NUMBER: 071 24841

Approval Date: 01/23/2015

Expiration Date: 07/23/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 29N Rge: 1E

County: KAY

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 990 920

Lease Name: PARKER

Well No: 19

Well will be 920 feet from nearest unit or lease boundary.

Operator Name: DEMCO OIL & GAS COMPANY

Telephone: 5803634223; 5803634

OTC/OCC Number: 7223 0

DEMCO OIL & GAS COMPANY
1335 S 6TH ST
BLACKWELL, OK 74631-4203

JEAN P. HAYES DECLARATION OF TRUST
143 STONYBROOK ROAD
MIDDLEBURY CT 06762

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

	Name	Depth	Name	Depth	
1	HOTSON	660	6	LAYTON	2750
2	NEVA	740	7	OSWEGO	3150
3	NEWKIRK SD	1470	8	BARTLESVILLE	3410
4	HOOVER	1975	9	MISSISSIPPI CHAT	3440
5	TONKAWA	2310	10	MISSISSIPPI LIME	3480

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3500

Ground Elevation: 1087

Surface Casing: 190

Depth to base of Treatable Water-Bearing FM: 140

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: 2500 Average: 2000

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	12/12/2014 - 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	1/22/2015 - G76 - FORMATIONS UNSPACED; 160-ACRE LEASE (NE4)

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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.