

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

API NUMBER: 137 27420

Approval Date: 04/14/2015
Expiration Date: 10/14/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 3S Rge: 4W County: STEPHENS
SPOT LOCATION: NW SE NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1835 710

Lease Name: NUGGETT Well No: 1-17 Well will be 710 feet from nearest unit or lease boundary.
Operator Name: HMD OIL COMPANY INC Telephone: 5803194377 OTC/OCC Number: 22925 0

HMD OIL COMPANY INC
224-B N ROCKFORD RD
ARDMORE, OK 73401-2542

VERNON DUNN
HCR 64, BOX 2250
LOCO OK 73442

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

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

Spacing Orders: 586558

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 2499

Ground Elevation: 977

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: GARBER

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.

137 27420 NUGGETT 1-17

Category	Description
FRAC FOCUS	3/31/2015 - 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	3/31/2015 - G64 - (160) W2 17-3S-4W EST OTHER EXT 349645 HXBR EXT 543697 ABCK
SURFACE LOCATION	4/14/2015 - G64 - 1835' FSL, 710' FWL SW4 17-3S-4W WITH 977' GROUND ELEVATION PER SURVEY PLAT

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