

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

API NUMBER: 003 23261

Approval Date: 09/16/2016
Expiration Date: 03/16/2017

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 23N Rge: 9W County: ALFALFA
SPOT LOCATION: C SW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 990 330

Lease Name: PECHA Well No: 2B Well will be 330 feet from nearest unit or lease boundary.
Operator Name: GOOD VAUGHN OIL COMPANY LLC Telephone: 5802333899 OTC/OCC Number: 20100 0

GOOD VAUGHN OIL COMPANY LLC
PO BOX 3744
ENID, OK 73702-3744

LEON AND DELORIS PECHA
4892 COUNTY ROAD 730
GOLTRY OK 73739

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

| | Name | Depth | Name | Depth |
|---|---------|-------|------|-------|
| 1 | OSWEGO | 5930 | 6 | |
| 2 | CHESTER | 6350 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 127403
135970
46468

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6550

Ground Elevation: 0

Surface Casing: 300

Depth to base of Treatable Water-Bearing FM: 240

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: 8000 Average: 5000

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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: CEDAR HILLS

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 |
|----------------------|---|
| HYDRAULIC FRACTURING | 9/15/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE. |
| SPACING - 127403 | 9/15/2016 - G64 - (80) 9-23N-9W SU NW/SE EXT 68769/121607 OSWG |
| SPACING - 135970 | 9/15/2016 - G64 - (80) NW4 9-23N-9W AMD 46468 TO SU UNITS |
| SPACING - 46468 | 9/15/2016 - G64 - (80) 9-23N-9W LD NW/SE EST CSTR (AMD NW4 TO SU UNITS BY 135970) |
| SURFACE LOCATION | 9/15/2016 - G64 - 990' FNL, 330' FWL PER OPERATOR |

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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.