

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

API NUMBER: 073 25475

Approval Date: 12/22/2016
Expiration Date: 06/22/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 19N Rge: 6W County: KINGFISHER
SPOT LOCATION: NE NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 235 1170

Lease Name: EAST HENNESSEY UNIT Well No: 241H Well will be 235 feet from nearest unit or lease boundary.
Operator Name: HINKLE OIL & GAS INC Telephone: 4058480924 OTC/OCC Number: 21639 0

HINKLE OIL & GAS INC
5600 N MAY AVE STE 295
OKLAHOMA CITY, OK 73112-4275

ALAN PATOCKA
523 NORTH OAK
HENNESSEY OK 73742

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

| Name | Depth | Name | Depth |
|------|---------------------|------|-------|
| 1 | MISSISSIPPIAN SOLID | 7550 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 61709

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12941

Ground Elevation: 1116

Surface Casing: 320

Depth to base of Treatable Water-Bearing FM: 270

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 4000 Average: 1800

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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: SALT PLAINS

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31953

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 09 Twp 19N Rge 6W County KINGFISHER

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 475

Depth of Deviation: 6998

Radius of Turn: 686

Direction: 185

Total Length: 4865

Measured Total Depth: 12941

True Vertical Depth: 7550

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category

Description

HYDRAULIC FRACTURING

12/21/2016 - 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/](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 - 61709

12/22/2016 - G75 - (UNIT) 4, 9 & 16-19N-6W
EST EAST HENNESSEY UNIT FOR MSSSD, OTHERS