API NUMBER: 037 29382 A

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

Approval Date: 04/09/2018
Expiration Date: 10/09/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

VELL LOCATION: Sec: 21 Twp: 15N Rge: 9E	County: CRE	:EK		
	FROM QUARTER: FROM		VEST	
SEC*	TION LINES:	1400 6	60	
Lease Name: STK	Well No:	21-1	Well wi	II be 660 feet from nearest unit or lease boundary.
Operator AYLUMA OPERATING INC Name:		Telephone: 9186	5524925	OTC/OCC Number: 21437 0
AYLUMA OPERATING INC PO BOX 669			STK RANCH LLC	#204
HENRYETTA, OK 744	37-0669		EDMOND	OK 73103
Formation(s) (Permit Valid for Listed Formati Name 1 CLEVELAND 2 PRUE 3 SKINNER 4 RED FORK 5 BARTLESVILLE	ons Only): Depth 910 2120 2210 2400 2715	6 7 8 9 10	Name GILCREASE WILCOX	Depth 3020 3615
Spacing Orders: 656865	Location Exception	Orders:		Increased Density Orders:
Pending CD Numbers: Total Depth: 3750 Ground Elevation: 828	Surface	Casing: 440	ι	Special Orders: Depth to base of Treatable Water-Bearing FM: 390
Under Federal Jurisdiction: No	Fresh Wate	er Supply Well Drilled:	No	Surface Water used to Drill: No
PIT 1 INFORMATION		Appro	oved Method for disposal of	Drilling Fluids:
Type of Pit System: ON SITE		A. E	vaporation/dewater and bac	ckfilling of reserve pit.
Type of Mud System: WATER BASED				
Chlorides Max: 1500 Average: 500 s depth to top of ground water greater than 10ft below base of Within 1 mile of municipal water well? N Wellhead Protection Area? N Pit is located in a Hydrologically Sensitive Area.	pit? Y			
Category of Pit: 2				
Liner not required for Category: 2				
Pit Location is RED AOLIEED				

Notes:

Pit Location Formation: BARNSDALL

Category Description

HYDRAULIC FRACTURING 4/9/2018 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK:

OCCEWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

SPACING - 656865 4/9/2018 - G75 - (160) SW4 21-15N-9E

EST CLVD, PRUE, SKNR, RDFK, BRVL, GLCR, WLCX

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.