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

API NUMBER: 111 27522

Approval Date: 03/05/2019
Expiration Date: 09/05/2020

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 15N Rge: 13E County: OKMULGEE

SPOT LOCATION: NW NE SE SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **1155** **2095**

Lease Name: STEELE **Well No: 9-27** **Well will be 545 feet from nearest unit or lease boundary.**

Operator Name: **STALEY J I CO LLC** Telephone: 2146868022 OTC/OCC Number: 23618 0

STALEY J I CO LLC
PO BOX 9387
WICHITA FALLS, TX 76308-9387

TERRY BLACK
15265 HWY. 16
BEGGS OK 74421

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

	Name	Depth		Name	Depth
1	BOOCH	1600	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 1800 Ground Elevation: 740 **Surface Casing: 90** Depth to base of Treatable Water-Bearing FM: 40

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: AIR

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 not** located in a Hydrologically Sensitive Area.
Category of Pit: 4
Liner not required for Category: 4
Pit Location is NON HSA
Pit Location Formation: WEWOKA
Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	3/5/2019 - 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	3/5/2019 - G75 - FORMATION UNSPACED; 280-ACRE LEASE (SW4, W2 NW4 & SE4 NW4)

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