PERMIT TO DRILL

PCN: C1170220L7

OKLAHOMA CORPORATION COMMISSION

OTC/OCC NUMBER: 15136-0 API NUMBER: 141-20316 APPROVAL DATE: 05/30/91

NOTICE OF INTENTION TO: REENTER

TYPE OF DRILLING OPERATION: STRAIGHT HOLE SEC: 4 TWP: 05S RGE: 14W

COUNTY: TILLMAN SPOT LOCATION: SW4 SE4 NW4 SW4

FEET FROM: SOUTH 1/4 SECTION LINE 1635 FEET FROM: WEST 1/4 SECTION LINE 862

FEET FROM THE NEAREST LEASE LINE 142

LEASE NAME STEWART-WELFARE WELL NO: 1

OPERATOR NAME: HELTON OIL COMPANY

SURFACE OWNER ADDRESS

OPERATOR RETURN ADDRESS MARION L. STEWART

3849 S. DRIVE
FORT WORTH

TX 76109

GERATOR RETURN ADDRESS

HELTON OIL COMPANY

713 LAMAR ST.

WICHITA FALLS TX 76301

OPERATION TO BEGIN: 00/00/00 FRESH WATER SUPPLY WELL DRILLED: NO SURFACE WATER USED TO DRILL: NO FORMATION CODES, NAMES, DEPTHS, (PERMIT VALID FOR LISTED FORMATIONS ONLY) 406GNSG GUNSIGHT

NOT SPACED FOR PERMITTED FORMATIONS.

TOTAL DEPTH: 1755

GROUND ELEVATION: 1010 DEPTH TO BASE OF TREATABLE WATER-BEARING FM: 36

SURFACE CASING: 60

PIT INFORMATION:

TYPE OF PIT SYSTEM: ON-SITE

TYPE OF MUD SYSTEM: WATER BASED

EXPECTED CHLORIDE CONTENT OF PIT: MAXIMUM 2200 PPM; AVERAGE 1200 PPM

DETERMINATION OF HYDROLOGICALLY SENSITIVE AREA NOT REQUIRED

CATEGORY OF PIT(S): 2

LINER NOT REQUIRED FOR CATEGORY: 2 PIT(S)

APPROVED METHOD FOR DISPOSAL OF DRILLING FLUIDS: EVAPORATION/DEWATER AND BACKFILLING OF RESERVE PIT

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 OCC-OGR 3-204.