

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

API NUMBER: 007 25626

Approval Date: 07/19/2013

Expiration Date: 01/19/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 6N Rge: 27ECM County: BEAVER

SPOT LOCATION: C N2 N2 FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1980 2640

Lease Name: LEE Well No: 1-36 Well will be 660 feet from nearest unit or lease boundary.

Operator Name: LOBO EXPLORATION COMPANY

Telephone: 4052350027

OTC/OCC Number: 17020 0

LOBO EXPLORATION COMPANY
100 N BDWY AVE STE 2400
OKLAHOMA CITY, OK 73102-8814

BROADIE FAMILY LTD, PARTNERSHIP
711 MAPLE
ASHALND KS 67831

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

Name	Depth	Name	Depth
1	CHEROKEE	5800	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: 6400

Ground Elevation: 2060

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 260

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 80000 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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23863
H. CLOSED SYSTEM=STEEL PITS REQUIRED - CIMARRON RIVER

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
DEEP SURFACE CASING	7/18/2013 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
SPACING	7/19/2013 - G30 - FORMATION UNSPACED, 783.61 ACRE LEASE (36-6N-27ECM & FRAC SEC 31-6N-28ECM)

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.