

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

API NUMBER: 105 41101

Approval Date: 10/09/2013

Expiration Date: 04/09/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 28N Rge: 15E County: NOWATA

SPOT LOCATION: ☐ NE ☐ NE ☐ SW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1145 1155

Lease Name: KING Well No: 2 Well will be 165 feet from nearest unit or lease boundary.

Operator Name: KTW OIL & GAS LLC

Telephone: 8704453842

OTC/OCC Number: 22658 0

KTW OIL & GAS LLC  
P.O. BOX 130  
BULL SHOALS, AR 72619-0130

MARGARET KING  
117-05 RR. 1  
WANN OK 74083

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

	Name	Depth	Name	Depth
1	WAYSIDE	350	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: 400

Ground Elevation: 903

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 160

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

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: WATER BASED

Chlorides Max: 5000 Average: 3000

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: CHANUTE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL REQUIRED

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
ALTERNATE CASING	10/9/2013 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH; AND, 2) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF AS SOON AS POSSIBLE. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4)(C)
LOCATION EXCEPTION	10/9/2013 - G75 - NEED LOCATION EXCEPTION FOR WAYSIDE <300' (10') FROM KING 1 (105-41072); NA, KING 1 TO BE COMPLETED IN BARTLESVILLE PER OPERATOR
SPACING	10/9/2013 - G75 - FORMATION UNSPACED; 30-ACRE LEASE (N2 SE4 SW4 & E2 NE4 SW4 SW4 & E2 SE4 SW4 SW4)