

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

API NUMBER: 105 41112

Approval Date: 10/23/2013

Expiration Date: 04/23/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 26N Rge: 17E County: NOWATA

SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 990 2475

Lease Name: BLL Well No: 34-7 Well will be 165 feet from nearest unit or lease boundary.

Operator NEOK PRODUCTION COMPANY LLC
Name:

Telephone: 9183319663; 9186952

OTC/OCC Number: 21838 0

NEOK PRODUCTION COMPANY LLC
PO BOX 428
NOWATA, OK 74048-0428

BOBBY LATHAM
P.O. BOX 18738
CLAREMORE OK 74017

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

	Name	Depth		Name	Depth
1	COAL (PENNSYLVANIAN)	275	6	ARBUCKLE	1195
2	BARTLESVILLE	615	7		
3	MISSISSIPPI CHAT	855	8		
4	MISSISSIPPI LIME	895	9		
5	WOODFORD	1135	10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1295

Ground Elevation: 765

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 40

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: AIR

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: OOLOGAH

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	10/18/2013 - G71 - APPROVED - COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)
SPACING	10/23/2013 - G30 - FORMATIONS UNSPACED, 160 ACRE LEASE (SE4)