

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

API NUMBER: 103 24604

Approval Date: 11/15/2013

Expiration Date: 05/15/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 20N Rge: 1W

County: NOBLE

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 1650 330

Lease Name: MADISON

Well No: 2-5

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: DAKOTA EXPLORATION LLC

Telephone: 9188068687

OTC/OCC Number: 22446 0

DAKOTA EXPLORATION LLC
8801 S YALE AVE STE 120
TULSA, OK 74137-3375

TERRY LEONARD
8900 GUNSMOKE
PERRY OK 73077

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

Name	Depth	Name	Depth
1 PERMIAN	1470	6 SKINNER	4620
2 ENDICOTT	2900	7 MISSISSIPPI CHAT	4940
3 TONKAWA	3100	8 MISSISSIPPI LIME	4950
4 PERRY	3450	9 VIOLA	5200
5 OSWEGO	4500	10 WILCOX	5300

Spacing Orders: 264623
582002

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5400

Ground Elevation: 1076

Surface Casing: 230

Depth to base of Treatable Water-Bearing FM: 180

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

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: WELLINGTON

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
SPACING	11/15/2013 - G30 - SKINNER UNSPACED, 40 ACRE LEASE (NE4 SE4)
SPACING - 264623	11/15/2013 - G30 - (40) 5-20N-1W EST PRMN, ENDC, PRRY, OTHERS EXT OTHERS
SPACING - 582002	11/15/2013 - G30 - (40) E2 SE4 5-20N-1W DEL 125222 MISS EST TNKW, OSWG, MSSCT, MSSLM, VIOL, WLCX
WATERSHED STRUCTURE	11/15/2013 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 336-2003 PRIOR TO DRILLING

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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.