

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

API NUMBER: 019 26027

Approval Date: 12/23/2013  
Expiration Date: 06/23/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 2S Rge: 2W County: CARTER  
SPOT LOCATION:  SW  NE  NW  SE FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 525 735

Lease Name: PEGGY Well No: 1-7 Well will be 525 feet from nearest unit or lease boundary.

Operator Name: MACK ENERGY CO Telephone: 5802525580; 5802525 OTC/OCC Number: 11739 0

MACK ENERGY CO  
P.O. Box 400  
DUNCAN, OK 73534-0400

BRADY / DRIVER C/O CRAIGHEAD & CO  
PO BOX 576  
ARDMORE OK 73402

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

	Name	Depth	Name	Depth
1	FUSULINID	2460	6	
2	EASON	2610	7	
3	TUSSY	2670	8	
4	CARPENTER	3030	9	
5	MORRIS	3280	10	

Spacing Orders: 70173  
376858

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4200 Ground Elevation: 980 **Surface Casing: 1140** Depth to base of Treatable Water-Bearing FM: 1090

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: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 - 376858	12/23/2013 - G30 - (40) W2 NW4 & SE4 NW4 & SW4 & W2 SE4 7-2S-2W EST FSLD, OTHER
SPACING - 70173	12/23/2013 - G30 - (40) W2 NW4 & SE4 NW4 & SW4 & W2 SE4 7-2S-2W EXT 68037 MRRS EST TSSY, CRPR, DKHL

This permit does not address the right of entry or settlement of surface damages.  
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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.