

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

API NUMBER: 083 24246

Approval Date: 01/08/2014

Expiration Date: 07/08/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 17N Rge: 4W

County: LOGAN

SPOT LOCATION: ☐ SW ☐ NE ☐ SE ☐ NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 800 2240

Lease Name: ED GREGORY

Well No: 1-2

Well will be 1840 feet from nearest unit or lease boundary.

Operator Name: SHIELDS OPERATING INC

Telephone: 4797851222

OTC/OCC Number: 20721 0

SHIELDS OPERATING INC
507 S 14TH ST
FORT SMITH, AR 72901-4607

GREGORY TRUST
14050 WEST CR 71
CRESCENT OK 73028

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

	Name	Depth		Name	Depth
1	VIOLA	6300	6	OIL CREEK	6950
2	SIMPSON DOLOMITE	6375	7	ARBUCKLE	7000
3	1ST WILCOX	6420	8		
4	2ND WILCOX	6520	9		
5	MCLISH	6850	10		

Spacing Orders: 619892
290049
424464
14134
15212

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 9500

Ground Elevation: 1115

Surface Casing: 480

Depth to base of Treatable Water-Bearing FM: 430

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 14-26142

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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.

Notes:

Category

Description

FRAC FOCUS

1/7/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://FRACFOCUS.ORG/) OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM

SPACING - 619892

1/8/2014 - G30 - (640) 2-17N-4W
DEL 290049 VIOL, WLCX (SW4)
DEL 14134/15212 SMPSD (W2)
DEL 424464 VIOL, WLCX1, WLCX2, MCLS, OLCK, ABCK (NE4)
EST VIOL, SMPSD, WLCX1, WLCX2, MCLS, OLCK, ABCK, OTHER

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