

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

API NUMBER: 103 24648

Approval Date: 03/14/2014
Expiration Date: 09/14/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 24N Rge: 1W County: NOBLE
SPOT LOCATION: NE SE SW NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 385 1220

Lease Name: GRACE Well No: 40 Well will be 100 feet from nearest unit or lease boundary.

Operator Name: DONRAY PETROLEUM LLC Telephone: 4054184348; 4054184 OTC/OCC Number: 21690 0

DONRAY PETROLEUM LLC
2525 NW EXPRESSWAY STE 640
OKLAHOMA CITY, OK 73112-7230

GEORGE BELLMON
301 ASBURY CIRCLE
ENID OK 73703

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

	Name	Depth	Name	Depth
1	HOOVER	2000	6	
2	TONKAWA	2450	7	
3	COTTAGE GROVE	3300	8	
4	LAYTON	3500	9	
5			10	

Spacing Orders: 590355 Location Exception Orders: Increased Density Orders: 619917
40039
319965

Pending CD Numbers: 201400841

Special Orders:

Total Depth: 3700 Ground Elevation: 952 Surface Casing: 220 Depth to base of Treatable Water-Bearing FM: 170

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.

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. 20-MIL LINER REQUIRED

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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
FRAC FOCUS	1/27/2014 - 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/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
INCREASED DENSITY - 619917	1/29/2014 - G30 - SW4 NE4 31-24N-1W X590355 CGGV 1 WELL DONRAY PETROLEUM, INC. 1/3/14
PENDING CD - 201400841	3/13/2014 - G30 - SW4 NE4 31-24N-1W X590355 HOVR**, TNKW, CGGV X165:10-1-21 LYTN CLOSER THAN 330' FROM LEASE LINE 385 FSL, 100 FEL SW4 NE4 NO OP. NAMED REC 3/4/14 (MCKEOWN)
SPACING	**S/B SP. 319965; TO BE CORRECTED IN FINAL ORER PER ATTORNEY FOR OPERATOR 1/29/2014 - G30 - LAYTON UNSPACED, 160 ACRE LEASE (NE4)
SPACING - 319965	1/29/2014 - G30 - (40) NE4 31-24N-1W EST HOVR, OTHERS
SPACING - 40039	1/29/2014 - G30 - (40) E2 31-24N-01W EST TNKW
SPACING - 590355	1/29/2014 - G30 - (40) E2 31-24N-1W VAC OTHERS EXT OTHER EXT 582662 CGGV, OTHERS CONFIRM 40039 TNKW EST OTHER