

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

API NUMBER: 103 24657

Approval Date: 05/01/2014
Expiration Date: 11/01/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 20N Rge: 1W County: NOBLE
SPOT LOCATION: C NE NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1980 1980

Lease Name: MALZAHN Well No: 3-9 Well will be 660 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

THE CHARLES MACHINE WORKS, INC
P.O. BOX 66
PERRY OK 73077

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

Name	Depth	Name	Depth
1 HOTSON	1200	6 PINK LIME	4742
2 ENDICOTT	2900	7 VIOLA	5122
3 TONKAWA	3100	8 SIMPSON	5174
4 AVANT	3304	9	
5 PERRY	3350	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5250 Ground Elevation: 1148 **Surface Casing: 200** Depth to base of Treatable Water-Bearing FM: 150

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: 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
FRAC FOCUS	4/30/2014 - 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
SPACING	5/1/2014 - G72 - FORMATIONS UNSPACED; (160) LEASE W2 9-20N-1W;

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.