

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

API NUMBER: 071 24759

Approval Date: 05/16/2014
Expiration Date: 11/16/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 25N Rge: 1W County: KAY
SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 330 456

Lease Name: RYAN Well No: 1 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: DAVIS GARRY OIL LLC Telephone: 5806285129; 5806285 OTC/OCC Number: 19505 0

DAVIS GARRY OIL LLC
PO BOX 40
TONKAWA, OK 74653-0040

JAMES DAVIS
11700 S. 13TH ST.
TONKAWA OK 74653

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

Name	Depth	Name	Depth
1 TONKAWA	2750	6 MISSISSIPPI CHAT	4450
2 LAYTON	3350	7 MISSISSIPPI LIME	4550
3 BIG LIME	3875	8 VIOLA	4900
4 SKINNER	4150	9 WILCOX	4950
5 RED FORK	4200	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5000 Ground Elevation: 0 **Surface Casing: 400** Depth to base of Treatable Water-Bearing FM: 350

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 ALLUVIAL
Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT PER OCC FIELD INSPECTOR, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

Notes:

This permit does not grant 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	5/8/2014 - 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	5/15/2014 - G75 - FORMATIONS UNSPACED; 160-ACRE LEASE (SE4)

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.