

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

API NUMBER: 141 20487

Approval Date: 05/27/2014

Expiration Date: 11/27/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 2S Rge: 17W County: TILLMAN
SPOT LOCATION: SE SW NE NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1435 1915

Lease Name: COWAN Well No: 5 Well will be 115 feet from nearest unit or lease boundary.
Operator Name: FULCRUM EXPLORATION LLC Telephone: 2145137610 OTC/OCC Number: 22183 0

FULCRUM EXPLORATION LLC
3700 FORUMS DR STE 112
FLOWER MOUND, TX 75028-1849

A & J COWAN, INC.
19186 COUNTY ROAD NS 218
FREDERICK OK 73530

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

	Name	Depth	Name	Depth
1	CANYON	2945	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 398314

Location Exception Orders: 625794

Increased Density Orders: 625793

Pending CD Numbers:

Special Orders:

Total Depth: 3300

Ground Elevation: 1218

Surface Casing: 120

Depth to base of Treatable Water-Bearing FM: 50

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: GARBER

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.

141 20487 COWAN 5

Category	Description
FRAC FOCUS	4/29/2014 - 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 - 625793	5/27/2014 - G75 - NE4 NE4 31-2S-17W X398314 CNYN 1 WELL FULCRUM EXPLOR., L.L.C. 5-21-2014
LOCATION EXCEPTION - 625794	5/27/2014 - G75 - NE4 NE4 31-2S-17W X398314 CNYN 115 FSL, 725 FEL FULCRUM EXPLOR., L.L.C. 5-21-2014
SPACING - 398314	5/27/2014 - G75 - (80/40) E2 31-2S-17W VAC OTHER REFORM (40) 31272 CNYN, OTHER EXT (40) OTHERS EST (80) OTHERS

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