

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

API NUMBER: 125 23847

Approval Date: 06/02/2014
Expiration Date: 12/02/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 10N Rge: 4E County: POTTAWATOMIE
SPOT LOCATION: NW SE NE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1879 2259

Lease Name: FRENCH Well No: 1-2 Well will be 377 feet from nearest unit or lease boundary.
Operator Name: WILLIAMS CLAYTON ENERGY INC Telephone: 2813595511 OTC/OCC Number: 8409 0

WILLIAMS CLAYTON ENERGY INC
700 ROCKMEAD DR STE 159
KINGWOOD, TX 77339-5018

JULIA A & JAMES E FRENCH
37805 WESTECH ROAD
SHAWNEE OK 74804

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

| Name | Depth | Name | Depth |
|--------------------------|-------|---------------|-------|
| 1 INOLA | 4146 | 6 HUNTON | 5023 |
| 2 PENN BASAL UNCONF SAND | 4476 | 7 SYLVAN | 5024 |
| 3 MISS UNCONF | 4526 | 8 VIOLA | 5111 |
| 4 MAYES | 4756 | 9 1ST WILCOX | 5191 |
| 5 WOODFORD | 4896 | 10 2ND WILCOX | 5284 |

Spacing Orders: 624963

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5400

Ground Elevation: 964

Surface Casing: 1150

Depth to base of Treatable Water-Bearing FM: 1100

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

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: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-27253

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH CANADIAN RIVER)

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.

125 23847 FRENCH 1-2

| Category | Description |
|------------------|--|
| FORMATIONS | 5/30/2014 - G72 - UNSPACED INOL, MSUNC, MYES, WDFD, SLVN, LEASE OUTLINE N2 SW 2-10N-4E. |
| FRAC FOCUS | 5/30/2014 - 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 - 624963 | 5/30/2014 - G72 - (80) N2 SW 02-10N-04E LD (NE/SW) EST BPUNC, HNTN, VIOL, WLCX1, WLCX2; |

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