

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

API NUMBER: 153 23557

Approval Date: 06/03/2014

Expiration Date: 12/03/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 20N Rge: 20W County: WOODWARD
SPOT LOCATION: C SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 660 660

Lease Name: FREEDOM Well No: 4 Well will be 660 feet from nearest unit or lease boundary.

Operator Name: DANICK OPERATING USA INC Telephone: 2148272223 OTC/OCC Number: 23273 0

DANICK OPERATING USA INC
6220 GASTON AVE STE 308
DALLAS, TX 75214-4369

SHAWN CAMPBELL
14525 LOOP ROAD 143
PERRYTON TX 79072

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

Name	Depth	Name	Depth
1 MORROW	8900	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 73250

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201403717
201403716

Special Orders:

Total Depth: 9500 Ground Elevation: 2116 **Surface Casing: 500** Depth to base of Treatable Water-Bearing FM: 450

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: 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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	6/3/2014 - 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
PENDING CD - 201403716	6/3/2014 - G75 - 4-20N-20W X73250 MRRW 1 WELL NO OP. NAMED HEARING 6-17-2014
PENDING CD - 201403717	6/3/2014 - G75 - (E.O.) 4-20N-20W X73250 MRRW NCT 660 FSL, NCT 660 FWL DANICK OP., USA, INC. REC 5-30-2014 (NORRIS)
SPACING - 73250	6/3/2014 - G75 - (640) 4-20N-20W EST MRRW

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.