

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

API NUMBER: 039 22446

Approval Date: 10/07/2014
Expiration Date: 04/07/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 15N Rge: 17W County: CUSTER
SPOT LOCATION: C SW NE SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1650 1650

Lease Name: COIT Well No: 1-22 Well will be 990 feet from nearest unit or lease boundary.

Operator Name: ARNOLD OIL PROPERTIES LLC Telephone: 4058421488 OTC/OCC Number: 22061 0

ARNOLD OIL PROPERTIES LLC
6816 N ROBINSON AVE
OKLAHOMA CITY, OK 73116-9039

DARRELL COIT
8730 US HIGHWAY 183
CUSTER CITY OK 73639

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

	Name	Depth	Name	Depth
1	LAYTON	9092	6	
2	CLEVELAND	9572	7	
3	CHEROKEE	10484	8	
4			9	
5			10	

Spacing Orders: 164771

Location Exception Orders: 631504

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 10850

Ground Elevation: 1854

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 460

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: 30000 Average: 7000

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: CLOUD CHIEF

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28199

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.

039 22446 COIT 1-22

Category	Description
DEEP SURFACE CASING	10/7/2014 - G76 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
FRAC FOCUS	10/7/2014 - G76 - 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
LOCATION EXCEPTION - 631504	10/7/2014 - G91 - 22-15N-17W X 164771 LYTN, CLVD, CHRK, OTHER 1650 FSL, 990 FEL ARNOLD OIL PROPERTIES, LLC. 10-6-2014
SPACING - 164771	10/7/2014 - G91 - (640) 22-15N-17W EXT 134590 CHRK, LYTN OTHERS EXT 145275 CLVD EST OTHERS

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