

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

API NUMBER: 019 26150

Approval Date: 12/05/2014
Expiration Date: 06/05/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 4S Rge: 1W County: CARTER
SPOT LOCATION: SE NW NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2140 500

Lease Name: RABE Well No: 1-17 Well will be 500 feet from nearest unit or lease boundary.

Operator Name: AVALON EXPLORATION INC Telephone: 9185230600 OTC/OCC Number: 14147 0

AVALON EXPLORATION INC
15 W 6TH ST STE 2300
TULSA, OK 74119-5401

ROBERT & BILLIE RABE, CO TRUSTEES ROBERT &
BILLIE RABE FAMILY TRUST
P O BOX 558
LONE GROVE OK 73443

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

Name	Depth	Name	Depth
1 BAYOU	3700	6 FUSULINID UP	6200
2 CHUBBEE	4000	7 FUSULINID LOW	6900
3 LONE GROVE UP	5200	8 TUSSY UP (EASON)	7400
4 LONE GROVE MID	5800	9 TUSSY LOW (HEFNER)	7700
5 LONE GROVE LOW	6000	10 DORNICK HILLS	8200

Spacing Orders: 358488

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 10500

Ground Elevation: 943

Surface Casing: 900

Depth to base of Treatable Water-Bearing FM: 520

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

B. Solidification of pit contents.

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

PERMIT NO: 14-28840

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.

019 26150 RABE 1-17

Category	Description
DEEP SURFACE CASING	11/5/2014 - G71 - 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	11/5/2014 - 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 - 358488	12/5/2014 - G72 - (40) 17-04S-01W EXT 258643 LGRVU, LGRVM, LGRVL, FSLDU, FSLDL, TSYUE, TSYLH, DKHL, EXT 127607 BYOU, CHBBY

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