

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

API NUMBER: 099 20661

Approval Date: 12/05/2014

Expiration Date: 06/05/2015

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 1N Rge: 1E

County: MURRAY

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 660 1780

Lease Name: HOTTEL

Well No: 1

Well will be 660 feet from nearest unit or lease boundary.

Operator Name: BAYS EXPLORATION INC

Telephone: 4052352297

OTC/OCC Number: 18082 0

BAYS EXPLORATION INC  
101 PARK AVE STE 900  
OKLAHOMA CITY, OK 73102-7202

BONNEY & LOREATA MARTIN  
P.O. BOX 337  
WYNNEWOOD OK 73098

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

	Name	Depth		Name	Depth
1	HOXBAR	1525	6	HUNTON	6533
2	DEESE	4000	7	VIOLA	7000
3	SPRINGER	4650	8	BROMIDE	7550
4	SYCAMORE	6100	9	MCLISH	7860
5	WOODFORD	6250	10	OIL CREEK	8020

Spacing Orders: 625979

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 8500

Ground Elevation: 806

**Surface Casing: 700**

Depth to base of Treatable Water-Bearing FM: 650

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: 2000

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: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 14-29151

H. 20-MIL PIT LINER REQUIRED

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.

099 20661 HOTTEL 1

Category	Description
FRAC FOCUS	12/5/2014 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING - 625979	12/5/2014 - G75 - (160) SE4 24-1N-1E EXT 53267 HXBR, DEESS, SPRG, SCMR, WDFD, HNTN, VIOL, BRMD, MCLS, OLCK, OTHERS **  ** S/B EXT 532567 HXBR, DEESS, SPRG, SCMR, WDFD, HNTN, VIOL, BRMD, MCLS, OLCK, OTHERS; COPY OF NUNC PRO TUNC HAS BEEN SENT BY ATTORNEY FOR OPERATOR AND REVIEWED BY OCC