

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

API NUMBER: 125 23882

Approval Date: 12/17/2014
Expiration Date: 06/17/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 7N Rge: 4E

County: POTTAWATOMIE

SPOT LOCATION: E2 SW SE NE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 330 1960

Lease Name: BURKE STATE

Well No: 23

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: ARROWHEAD OPERATING INC

Telephone: 4326839700

OTC/OCC Number: 22963 0

ARROWHEAD OPERATING INC
400 E LOOP 250 N STE 107
MIDLAND, TX 79705-4448

ARROWHEAD OPERATION INC
400 E LOOP 250 N SUITE 107
MIDLAND TX 79705

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

	Name	Depth	Name	Depth	
1	CALVIN	3350	6	VIOLA	4100
2	SENORA	3430	7	SIMPSON	4170
3	WOODFORD	3650	8		
4	HUNTON	3700	9		
5	SYLVAN	4000	10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4500

Ground Elevation: 990

Surface Casing: 180

Depth to base of Treatable Water-Bearing FM: 70

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: 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: OSCAR

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	12/17/2014 - 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	12/17/2014 - G91 - FORMATIONS UNSPACED; 160-ACRE LEASE (NE4)

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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.