

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

API NUMBER: 103 24703

Approval Date: 01/16/2015  
Expiration Date: 07/16/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 24N Rge: 2E

County: NOBLE

SPOT LOCATION: C SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 330 330

Lease Name: G-NORTH RANCH

Well No: 1

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

Operator Name: GILLILAND DENNIS

Telephone: 5803701421

OTC/OCC Number: 23513 0

GILLILAND DENNIS  
39501 S 33700 RD  
MORRISON, OK 73061-9673

KIM GILLILAND & DAVID DIEHM  
39501 S. 33700 ROAD  
MORRISON OK 73061

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

| Name               | Depth | Name       | Depth |
|--------------------|-------|------------|-------|
| 1 PERRY            | 2900  | 6 WILCOX   | 4800  |
| 2 LAYTON           | 3400  | 7 ARBUCKLE | 5400  |
| 3 RED FORK         | 4100  | 8          |       |
| 4 MISSISSIPPI CHAT | 4450  | 9          |       |
| 5 MISSISSIPPI LIME | 4500  | 10         |       |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5500

Ground Elevation: 1021

**Surface Casing: 240**

Depth to base of Treatable Water-Bearing FM: 190

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.

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 | 10/23/2014 - 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    | 1/15/2015 - G75 - FORMATIONS UNSPACED; 160-ACRE LEASE (SW4)   |

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