API NUMBER: 147 28168

Straight Hole Oil & Gas

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

Approval Date: 05/26/2016
Expiration Date: 11/26/2016

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 26N Rge: 13E County: WASHINGTON

SPOT LOCATION: C NE SW NE FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **990** **990**

Lease Name: KEEFER **Well No: B-1** **Well will be 1650 feet from nearest unit or lease boundary.**

Operator Name: **BECHEL OIL LLC** Telephone: 7154958354 OTC/OCC Number: 23770 0

BECHEL OIL LLC
W2171 COUNTY ROAD S
MAIDEN ROCK, WI 54750-8819

JOHN KEEFER
21236 N. 4000 RD.
BARTLESVILLE OK 74006

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

	Name	Depth		Name	Depth
1	PERU	775	6		
2	BARTLESVILLE	1210	7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing Location Exception Orders: Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 1300 Ground Elevation: 785 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 40

Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.

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: AIR

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 not** located in a Hydrologically Sensitive Area.
Category of Pit: 4
Liner not required for Category: 4
Pit Location is NON HSA
Pit Location Formation: DEWEY
Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CBL 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.

Category	Description
ALTERNATE CASING	5/26/2016 - G71 - APPROVED; COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4)(C)
HYDRAULIC FRACTURING	5/25/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
SPACING	5/26/2016 - G75 - FORMATIONS UNSPACED; 480-ACRE LEASE (N2 & SE4)

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