

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

API NUMBER: 081 24267

Approval Date: 06/10/2016

Expiration Date: 12/10/2016

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 14N Rge: 6E

County: LINCOLN

SPOT LOCATION:  SW  NW  SE  SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 666 1526

Lease Name: ZOLLAR

Well No: 7

Well will be 654 feet from nearest unit or lease boundary.

Operator Name: PMD OIL RECOVERY LLC

Telephone: 4056323051

OTC/OCC Number: 22724 0

PMD OIL RECOVERY LLC  
4001 S HIGH AVE  
OKLAHOMA CITY, OK 73129-5241

RON MATHEWS  
33165 WEST 281ST STREET SOUTH  
BRISTOW OK 74010

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

	Name	Depth	Name	Depth	
1	LAYTON	1774	6	BARTLESVILLE	3280
2	CLEVELAND	2050	7	MISSISSIPPI LIME	3584
3	PRUE	2850	8	VIOLA	4034
4	SKINNER	2994	9		
5	RED FORK	3160	10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4300

Ground Elevation: 900

**Surface Casing: 410**

Depth to base of Treatable Water-Bearing FM: 360

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: ADA

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
HYDRAULIC FRACTURING	6/8/2016 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> 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	6/9/2016 - G60 - FORMATIONS UNSPACED; 80-ACRE LEASE; (S2 SW4)

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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.