

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

API NUMBER: 123 23869

Approval Date: 06/21/2016

Expiration Date: 12/21/2016

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 5N Rge: 4E

County: PONTOTOC

SPOT LOCATION: NE SE SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 450 1167

Lease Name: BOND

Well No: 1-4

Well will be 450 feet from nearest unit or lease boundary.

Operator Name: PAYNE EXPLORATION COMPANY

Telephone: 4058439419

OTC/OCC Number: 918 0

PAYNE EXPLORATION COMPANY
7005 N ROBINSON AVE
OKLAHOMA CITY, OK 73116-9044

DARREN BOND
3780 COUNTY ROAD 3420
BYARS OK 74831

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

Name	Depth	Name	Depth
1 WEWOKA UP	2100	6 HUNTON	2556
2 CALVIN UP	2446	7 SYLVAN	2586
3 SENORA	2500	8 VIOLA	2706
4 EARLSBORO	2520	9 1ST WILCOX	3066
5 MISENER	2550	10 ARBUCKLE	3300

Spacing Orders: 650672

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602349

Special Orders:

Total Depth: 3600

Ground Elevation: 964

Surface Casing: 400

Depth to base of Treatable Water-Bearing FM: 280

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31322

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - CANADIAN RIVER)

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.

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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 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.
PENDING CD - 201602349	6/17/2016 - G60 - (E.O.) 4-5N-4E X650672 WWOKU, CLVNU, SNOR, ERLB, MSNR, HNTN, SLVN, VIOL, WLCX1, ABCK NCT 450' FSL, NCT 100' FEL SW4 SW4 PAYNE EXPLORATION COMPANY REC. 6-20-16 (DECKER)
SPACING - 650672	6/10/2016 - G60 - (40) 4-5N-4E VAC OTHER EXT 303643 WWOKU, CLVNU, SNOR, ERLB, MSNR, HNTN, SLVN, VIOL, WLCX1, ABCK

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