

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

API NUMBER: 019 26227

Approval Date: 07/28/2016

Expiration Date: 01/28/2017

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 2S Rge: 2W

County: CARTER

SPOT LOCATION:  NW  SW  NW  SE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1740 165

Lease Name: BRADY

Well No: 159

Well will be 165 feet from nearest unit or lease boundary.

Operator Name: KODIAK OIL & GAS INC

Telephone: 9407594001

OTC/OCC Number: 23226 0

KODIAK OIL & GAS INC  
204 N WALNUT ST  
MUNSTER, TX 76252-2766

MEL WALTERSCHEID  
204 NORTH WALNUT ST.  
MUNSTER TX 76252

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

	Name	Depth	Name	Depth
1	HOXBAR	1500	6	
2	DEESE	2000	7	
3	SPRINGER	2500	8	
4			9	
5			10	

Spacing Orders: 617304

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602634

Special Orders:

Total Depth: 2999

Ground Elevation: 1095

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 1120

**Cement will be circulated by use of a two-stage cementing tool from 1220 to 0 .**

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: 1000 Average: 500

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: GARBER

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	7/27/2016 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH TO PROTECT SHALLOW SANDS; 2) TWO-STAGE CEMENTING TOOL TO BE SET NO DEEPER THAN 100' BELOW BTW; AND, 3) 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	7/27/2016 - 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.
PENDING CD - 201602634	7/27/2016 - G75 - SW4 NW4 SE4 5-2S-2W X617304 DEESS 3 WELLS NO OP. NAMED REC 7-26-2016 (COLAW)
SPACING	7/27/2016 - G75 - HOXBAR UNSPACED; 100-ACRE LEASE INCLUDING NW4 SE4
SPACING - 617304	7/27/2016 - G75 - (10) NW4 SE4 5-2S-2W EST DEESS EXT 340118 SPRG
SURFACE LOCATION	7/28/2016 - G75 - 1740' FSL, 165' FWL SE4 5-2S-2W PER OPERATOR