

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

API NUMBER: 107 23583

Approval Date: 08/19/2016  
Expiration Date: 02/19/2017

Straight Hole Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 11N Rge: 11E County: OKFUSKEE  
SPOT LOCATION:     FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 990 610

Lease Name: GARST Well No: 2-A Well will be 330 feet from nearest unit or lease boundary.  
Operator Name: KOBY OIL COMPANY LLC Telephone: 4052363551 OTC/OCC Number: 20976 0

KOBY OIL COMPANY LLC  
PO BOX 1945  
OKLAHOMA CITY, OK 73101-1945

KENNY & DEANA PENDLEY  
386172 EAST 1100 ROAD  
WELEEKA OK 74860

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

Name	Depth	Name	Depth
1 SENORA	1115	6 UNION VALLEY	2540
2 RED FORK	1290	7 CROMWELL	2730
3 BARTLESVILLE	1580	8 WILCOX	3475
4 BOOCH	2080	9 ARBUCKLE	3798
5 GILCREASE	2420	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 4798 Ground Elevation: 762 **Surface Casing: 400** Depth to base of Treatable Water-Bearing FM: 150

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: 2500 Average: 1500

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: WEWOKA

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	8/18/2016 - 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	8/18/2016 - G71 - N/A - DISPOSAL WELL

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.