

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

API NUMBER: 103 24720

Approval Date: 09/13/2016
Expiration Date: 03/13/2017

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 21N Rge: 1W County: NOBLE
SPOT LOCATION: E2 SW SW NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 330 490

Lease Name: WARPAM Well No: 1 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: HERITAGE PETROLEUM INC Telephone: 4053772689 OTC/OCC Number: 19097 0

HERITAGE PETROLEUM INC
PO BOX 935
STILLWATER, OK 74076-0935

LAKE FARM LLC, DARRELL GROOM MGR
9720 SUNNYLANE ROAD
MOORE OK 73160

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

	Name	Depth		Name	Depth
1	PERRY	3375	6	RED FORK	4700
2	LAYTON	3700	7		
3	BIG LIME	4400	8		
4	OSWEGO	4475	9		
5	SKINNER	4650	10		

Spacing Orders: 644390 Location Exception Orders: 648674 Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 5100 Ground Elevation: 0 **Surface Casing: 210** Depth to base of Treatable Water-Bearing FM: 160

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: 1A
Liner required for Category: 1A
Pit Location is ALLUVIAL
Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:
A. Evaporation/dewater and backfilling of reserve pit.
D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31604
H. 20-MIL PIT LINER 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
HYDRAULIC FRACTURING	9/12/2016 - 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.
LOCATION EXCEPTION - 648674	9/13/2016 - G60 - (F.O.) NW4 32-21N-1W X644390 BGLM 330' FSL, 490' FWL NO OP. NAMED 1-15-16
SPACING	9/13/2016 - G60 - FORMATIONS UNSPACED; 80-ACRE LEASE (W2 NW4)
SPACING - 644390	9/13/2016 - G60 - (160) NW4 32-21-1W EXT 466600 BGLM
WATERSHED STRUCTURE	9/12/2016 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 336-2003 PRIOR TO DRILLING

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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.