

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

API NUMBER: 125 23904 A

Approval Date: 04/27/2017  
Expiration Date: 10/27/2017

Straight Hole Oil & Gas

Amend reason: MOVE SHL; CORRECT LEASE OUTLINE

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 9N Rge: 2E

County: POTTAWATOMIE

SPOT LOCATION:  NE  NE  NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 330 2310

Lease Name: AUTHOR

Well No: 1-7

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: CANNON OPERATING CO LLC

Telephone: 9729414218

OTC/OCC Number: 23102 0

CANNON OPERATING CO LLC  
3200 BROADWAY BLVD STE 520  
GARLAND, TX 75043-2500

MICHAEL MURRY AND RENA ANN HATHCOCK  
29697 NEW HOPE RD, TECUMSEH, OK 74873  
TECUMSEH OK 74873

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

	Name	Depth	Name	Depth	
1	OSWEGO	5065	6	WOODFORD	5468
2	PRUE	5110	7	HUNTON	5488
3	SKINNER	5156	8	SYLVAN	5752
4	VERDIGRIS	5206	9	VIOLA	5842
5	RED FORK	5338	10	SIMPSON	6080

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6400

Ground Elevation: 1068

**Surface Casing: 625**

Depth to base of Treatable Water-Bearing FM: 500

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: 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: GARBER

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- B. Solidification of pit contents.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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	4/4/2016 - 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	4/4/2016 - G60 - FORMATIONS UNSPACED; 120-ACRE LEASE (N2 NE4, NE NW)

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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.