

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

API NUMBER: 085 20130 B

Approval Date: 07/25/2017
Expiration Date: 01/25/2018

Straight Hole Oil & Gas

PERMIT TO RE-ENTER

WELL LOCATION: Sec: 05 Twp: 7S Rge: 1W County: LOVE
SPOT LOCATION: C NW NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1980 660

Lease Name: NORTH SANDERS PIKE UNIT (STEED 1) Well No: 27-1 Well will be 660 feet from nearest unit or lease boundary.

Operator Name: JONES L E OPERATING INC Telephone: 5802551191 OTC/OCC Number: 19169 0

JONES L E OPERATING INC
PO BOX 1185
DUNCAN, OK 73534-1185

BRETT & LISA ADDISON
7051 PIKE ROAD
BURNEYVILLE OK 73430

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

| Name | Depth | Name | Depth |
|-----------|-------|------|-------|
| 1 SANDERS | 8100 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 662476

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 9907 Ground Elevation: 787 **Surface Casing: 450 IP** Depth to base of Treatable Water-Bearing FM: 550

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 2000 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: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

085 20130 NORTH SANDERS PIKE UNIT
(STEED 1) 27-1

| Category | Description |
|----------------------|--|
| HYDRAULIC FRACTURING | 7/13/2017 - 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 |
| SPACING - 662476 | 7/25/2017 - G60 - (UNIT) SW/4 SE/4 NE/4 AND E/2 NE4 5-7S-1W EST NORTH PIKE SANDERS UNIT |

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