

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

API NUMBER: 107 23620 A

Approval Date: 08/01/2019  
Expiration Date: 02/01/2021

Straight Hole Oil & Gas

Amend reason: OCC CORRECTION - CHANGE WELL NUMBER

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 10N Rge: 9E County: OKFUSKEE  
SPOT LOCATION: SW SE NW NE FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 1510 840

Lease Name: PALMER Well No: 2 Well will be 190 feet from nearest unit or lease boundary.  
Operator Name: LU-RAY PETROLEUM LLC Telephone: 4054244006 OTC/OCC Number: 11011 0

LU-RAY PETROLEUM LLC  
5300 N BRYANT AVE  
OKLAHOMA CITY, OK 73121-1607

BEN & HELEN TEICHROEB  
224 OKEMAH ST  
OKEMAH OK 74859

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

Name	Depth	Name	Depth
1 CALVIN	1090	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 467690 Location Exception Orders: 687721 Increased Density Orders: 694966

Pending CD Numbers: Special Orders:

Total Depth: 1200 Ground Elevation: 809 Surface Casing: 0 Depth to base of Treatable Water-Bearing FM: 140

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

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: AIR

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: 4

Liner not required for Category: 4

Pit Location is AP/TE DEPOSIT  
Pit Location Formation: TERRACE

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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	7/29/2019 - G71 - APPROVED; COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)
HYDRAULIC FRACTURING	7/29/2019 - G71 - OCC 165:10-3-10 REQUIRES:  1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;  2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a> ; AND,  3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a>
INCREASED DENSITY - 694966	8/1/2019 - GB1 - NW4 NE4 23-10N-9E X467690 CVLN 3 WELLS LU-RAY PETROLEUM, LLC 4/22/2019
LOCATION EXCEPTION - 687721	8/1/2019 - GB1 - (F.O.) NW4 NE4 23-10N-9E X467690 CLVN 190' FSL, 480' FEL NW4 NE4 23-10N-9E LU-RAY PETROLEUM, LLC 12/5/2018
SPACING - 467690	8/1/2019 - GB1 - (40) N2 NE4 23-10N-9E EXT OTHERS EST CLVN, OTHERS
WELL NAME	8/23/2019 - GB1 - CHANGE WELL NAME TO PALMER 2 PER OPERATOR REQUEST

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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.