

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

API NUMBER: 051 23659

Approval Date: 12/26/2012
Expiration Date: 06/26/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 8N Rge: 8W County: GRADY
SPOT LOCATION: C W2 NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 1320 1980

Lease Name: SCARLETT Well No: 1-33 Well will be 1320 feet from nearest unit or lease boundary.

Operator Name: WESTERN OIL AND GAS DEVELOPMENT CORP Telephone: 4052354590 OTC/OCC Number: 14635 0

WESTERN OIL AND GAS DEVELOPMENT CORP
420 NW 13TH ST STE 100
OKLAHOMA CITY, OK 73103-3735

THE SAM G. LOVELESS TRUST
285 COUNTY RD 1370
CHICKASHA OK 73018

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

Name	Depth	Name	Depth
1 HOXBAR	7775	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 599590

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 10600

Ground Elevation: 1119

Surface Casing: 960

Depth to base of Treatable Water-Bearing FM: 710

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: 12-22210

H. 20-MIL 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.

051 23659 SCARLETT 1-33

Category

Description

SPACING - 599590

12/26/2012 - G30 - (640) 33-8N-8W
VAC 69236 HXBO
VAC 65362 HXBR
EST HXBR

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.

051 23659 SCARLETT 1-33