

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

API NUMBER: 019 25829

Approval Date: 01/15/2013

Expiration Date: 07/15/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 1S Rge: 3W County: CARTER
SPOT LOCATION: SE SE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 1214 1529

Lease Name: TATUMS FIELD UNIT Well No: 6-23 Well will be 451 feet from nearest unit or lease boundary.

Operator Name: CITATION OIL & GAS CORPORATION Telephone: 2818911000 OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION
P.O. BOX 690688
HOUSTON, TX 77269-0688

BRENT & DARLA PERKINS
P.O. BOX 101
RATLIFF CITY OK 73481

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

| | Name | Depth | Name | Depth |
|---|------------|-------|------|-------|
| 1 | TATUMS | 2264 | 6 | |
| 2 | STRAY SAND | 2436 | 7 | |
| 3 | PENNINGTON | 2670 | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 47677

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3100 Ground Elevation: 930 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 1200

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: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 2500 Average: 2000

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-22333

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 | 1/14/2013 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH; 2) A COPY OF CBL TO BE REVIEWED AND APPROVED BY OCC TECHNICAL STAFF PRIOR TO ANY COMPLETION WORK BEING COMMENCED; AND 3) PER OPERATOR, IF LOST CIRCULATION OCCURS DURING DRILLING, THE PRODUCTION CASING WILL BE CEMENTED FROM TD TO SURFACE UTILIZING A DV TOOL |
| SPACING - 47677 | 1/14/2013 - G75 - (UNIT) S2 NE4, SE4 NW4 NE4, NE4 NE4 15-1S-3W EST TATUMS FIELD UNIT FOR TTMS, STRY, PNNG |

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