

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

API NUMBER: 139 24556

Approval Date: 01/24/2013

Expiration Date: 07/24/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 26 Twp: 3N Rge: 12ECM County: TEXAS

SPOT LOCATION: NE SE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 950 2350

Lease Name: SW UNITY Well No: 110 Well will be 950 feet from nearest unit or lease boundary.

Operator Name: OXY USA INC

Telephone: 7132157000; 6206294

OTC/OCC Number: 9012 0

OXY USA INC
P.O. Box 27757
HOUSTON, TX 77227-7757

FREEMAN FAMILY RANCH LTD
P.O. BOX 589
TEXHOMA OK 73949

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

Name	Depth	Name	Depth
1 MORROW UP	6050	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 590971

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6650

Ground Elevation: 3253

Surface Casing: 1800

Depth to base of Treatable Water-Bearing FM: 310

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: 25000 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: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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.

139 24556 SW UNITY 110

Category	Description
DEEP SURFACE CASING	1/22/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
SPACING - 590971	1/24/2013 - G75 - (UNIT) 26-3N-12ECM EST SOUTHWEST UNITY UPPER MORROW UNIT FOR MRRWU

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.