

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

API NUMBER: 019 25846

Approval Date: 03/01/2013
Expiration Date: 09/01/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 2S Rge: 2W County: CARTER
SPOT LOCATION: SE NW NE SW FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 404 664

Lease Name: TATUMS DES MOINES Well No: 120 Well will be 656 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

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P.O. BOX 690688
HOUSTON TX 77269

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

Name	Depth	Name	Depth
1 DES MOINES	1221	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 59065

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 2500 Ground Elevation: 956 **Surface Casing: 0** Depth to base of Treatable Water-Bearing FM: 810

Cement will be circulated by use of a two-stage cementing tool from 910 to 0 .

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: 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: 13-22635
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	3/1/2013 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE MUD PRIOR TO TOTAL DEPTH; 2) DV-TOOL TO BE SET NO DEEPER THAN 100' BELOW BTW; AND, 3) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF AS SOON AS POSSIBLE. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4) (C)
SPACING - 59065	3/1/2013 - G75 - (UNIT) SE4 NW4 & NE4 SW4 & NE4 SE4 SW4 9-2S-2W EST TATUMS DES MOINES UNIT FOR DSMN
WATERSHED STRUCTURE	3/1/2013 - G75 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 223-5865 PRIOR TO DRILLING

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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.

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