

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

API NUMBER: 019 25861

Approval Date: 03/08/2013  
Expiration Date: 09/08/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 2S Rge: 2W County: CARTER  
SPOT LOCATION:  SE  SE  SW  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 130 1335

Lease Name: WILDCAT JIM UNIT Well No: 245 Well will be 1335 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

DAUBE RANCH & MINERAL LIMITED PARTNERSHIP  
P.O. BOX 38  
ARDMORE OK 73402

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

| Name           | Depth | Name | Depth |
|----------------|-------|------|-------|
| 1 HOXBAR-DEESE | 1512  | 6    |       |
| 2              |       | 7    |       |
| 3              |       | 8    |       |
| 4              |       | 9    |       |
| 5              |       | 10   |       |

Spacing Orders: 97490

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 3075

Ground Elevation: 1006

**Surface Casing: 1070**

Depth to base of Treatable Water-Bearing FM: 1020

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: 1600 Average: 900

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: GARBER

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 13-22730

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.

019 25861 WILDCAT JIM UNIT 245

Category

Description

SPACING - 97490

3/8/2013 - G75 - (UNIT) S2 8 & N2 17-2S-2W  
EST WILDCAT JIM UNIT FOR HXBDS

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.

019 25861 WILDCAT JIM UNIT 245