

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

API NUMBER: 007 25601

Approval Date: 04/01/2013
Expiration Date: 10/01/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 5N Rge: 22ECM County: BEAVER

SPOT LOCATION: C SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 330 330

Lease Name: PAYDAY NORTH Well No: 2 Well will be 330 feet from nearest unit or lease boundary.

Operator Name: REMNANT ENERGY INC Telephone: 8066482999 OTC/OCC Number: 22103 0

REMNANT ENERGY INC
P.O. Box 509
PERRYTON, TX 79070-0509

PAULINE FINCHER JONES
1105 WESTHAVEN
LIBERAL KS 67901

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

Name	Depth	Name	Depth
1 KANSAS CITY	5400	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 530093

Location Exception Orders: 609745

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5600

Ground Elevation: 2686

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 370

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 8000 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.

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Category	Description
DEEP SURFACE CASING	3/28/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
LOCATION EXCEPTION - 609745	4/1/2013 - G75 - 19-5N-22ECM X530093 KSSC, OTHER 330 FSL, 330 FWL REMNANT ENERGY, INC. 4-1-2013
SPACING - 530093	4/1/2013 - G75 - (640) 19-5N-22ECM EST OTHER EXT 292636 KSSC, OTHERS EXT OTHER

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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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