

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

API NUMBER: 149 21693

Approval Date: 01/28/2014

Expiration Date: 07/28/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 10N Rge: 14W County: WASHITA
SPOT LOCATION: C SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1320 1320

Lease Name: KENNEMER Well No: 1-32 Well will be 1320 feet from nearest unit or lease boundary.

Operator Name: SANGUINE GAS EXPLORATION LLC Telephone: 9184964774 OTC/OCC Number: 21381 0

SANGUINE GAS EXPLORATION LLC
PO BOX 700720
TULSA, OK 74170-0720

ALENE KENNEMER, DEBRA DRYDEN & ROLLAND
CULLIGAN
1140 DURANGO DR.
PARIS TX 75460

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

Name	Depth	Name	Depth
1 PERMIAN	1500	6 SPRINGER	19240
2 VIRGILIAN	4820	7	
3 MISSOURIAN	9210	8	
4 ATOKA	14830	9	
5 MORROW	16260	10	

Spacing Orders: 177987
581589

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 21500

Ground Elevation: 1565

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 320

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 20000 Average: 6000

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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: CLOUD CHIEF

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

PERMIT NO: 14-26298

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 310000 Average: 270000

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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: CLOUD CHIEF

Notes:

Category

Description

FRAC FOCUS

1/24/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM

MEMO

1/28/2014 - G75 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 177987

1/28/2014 - G75 - (640) 32-10N-14W
EXT 130027 MDRN, MRCD, HDTN, CLPM (ALL VAC BY 581589), OTHER
EXT 143240 ATOK, MRRW, OTHER

SPACING - 581589

1/28/2014 - G75 - (640) 32-10N-14W
VAC 177987 MDRN, MRCD, HDTN, CLPM
EXT PRMN, VRGN, MSRN, SPRG, OTHER