

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

API NUMBER: 137 27179

Approval Date: 03/17/2014
Expiration Date: 09/17/2014

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 2S Rge: 4W County: STEPHENS
SPOT LOCATION: SE SE NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1517 1299

Lease Name: BULLHEADED Well No: 4-1 Well will be 1299 feet from nearest unit or lease boundary.
Operator Name: CITATION OIL & GAS CORPORATION Telephone: 2818911000 OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION
PO BOX 690688
HOUSTON, TX 77269-0688

JASON & TABITHA OLIVER
PO BOX 207
RATLIFF CITY OK 73481

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

	Name	Depth	Name	Depth
1	WOODFORD	4720	6	
2	HUNTON	5020	7	
3	VIOLA	5920	8	
4	SIMPSON	7090	9	
5			10	

Spacing Orders: 619217 Location Exception Orders: Increased Density Orders:
Pending CD Numbers: Special Orders:

Total Depth: 8300 Ground Elevation: 1125 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 410

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: PURCELL

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26508

DIRECTIONAL HOLE 1

Sec 04 Twp 2S Rge 4W County STEPHENS
Spot Location of End Point: nn ss C SW
Feet From: SOUTH 1/4 Section Line: 1320
Feet From: WEST 1/4 Section Line: 1320
Measured Total Depth: 8330
True Vertical Depth: 8300
End Point Location from Lease,
Unit, or Property Line: 1320

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
DEEP SURFACE CASING	3/12/2014 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
FRAC FOCUS	3/12/2014 - 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/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING - 619217	3/17/2014 - G30 - (640) 4-2S-4W EST WDFD, HNTN, VIOL, SMPS

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