

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

API NUMBER: 137 27198

Approval Date: 04/14/2014
Expiration Date: 10/14/2014

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 2S Rge: 4W County: STEPHENS
SPOT LOCATION: SW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 546 532

Lease Name: BULL MARKET Well No: 8-1 Well will be 532 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

THE FRANK C O'NEAL REVOCABLE TRUST
PO BOX 425
VELMA OK 73491

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

	Name	Depth	Name	Depth
1	SYCAMORE	4870	6	
2	WOODFORD	4970	7	
3	HUNTON	5270	8	
4	VIOLA	6170	9	
5	SIMPSON	7335	10	

Spacing Orders: 622282

Location Exception Orders: 622886

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 8361

Ground Elevation: 1049

Surface Casing: 1950

Depth to base of Treatable Water-Bearing FM: 200

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: 14-26873

DIRECTIONAL HOLE 1

Sec 08 Twp 2S Rge 4W County STEPHENS

Spot Location of End Point: nn C NE NE

Feet From: NORTH 1/4 Section Line: 660

Feet From: EAST 1/4 Section Line: 660

Measured Total Depth: 8361

True Vertical Depth: 8340

End Point Location from Lease,

Unit, or Property Line: 660

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	4/11/2014 - 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	4/11/2014 - 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
LOCATION EXCEPTION - 622886	4/14/2014 - G30 - (I.O.) 8-2S-4W X622282 SCMR, WDFD, HNTN, VIOL, SMPS SHL NCT 546 FNL, NCT 532 FEL BHL NCT 660 FNL, NCT 660 FEL CITATION OIL & GAS CORP 3/19/14
SPACING - 622282	4/14/2014 - G30 - (640) 8-2S-4W VAC 33685 OCKO VAC 425946 WDFD, HNTN, BRMD, TPCK, MCLS, OLCK VAC 105365 MSLSC EXT 612321 SCMR, WDFD, HNTN, VIOL EST SMPS

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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.