

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

API NUMBER: 139 24561

Approval Date: 02/05/2013
Expiration Date: 08/05/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 3N Rge: 12ECM County: TEXAS

SPOT LOCATION: SW NW SE NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 768 1465

Lease Name: COON B Well No: 1 Well will be 768 feet from nearest unit or lease boundary.

Operator Name: OXY USA INC Telephone: 7132157000; 6206294 OTC/OCC Number: 9012 0

OXY USA INC
P.O. Box 27757
HOUSTON, TX 77227-7757

FREEMAN FAMILY RANCH LTD
PO BOX 589
TEXHOMA OK 73949

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

Name	Depth	Name	Depth
1 MORROW SAND UP	5770	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 56132

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201208311

Special Orders:

Total Depth: 6550

Ground Elevation: 3411

Surface Casing: 1800

Depth to base of Treatable Water-Bearing FM: 290

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 25000 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.

139 24561 COON B 1

Category	Description
DEEP SURFACE CASING	2/5/2013 - 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
PENDING CD - 201208311	2/5/2013 - G30 - S2 NW4 17-3N-12ECM X56132 MWSDU 368 FSL, 1175 FEL** NO OP. NAMED REC 2/4/13 (DECKER)
SPACING - 56132	**SHL CORRECTED IN 2/4/13 HEARING, 786 FSL, 1175 FEL PER OPERATOR 2/5/2013 - G30 - (80) 17-3N-12ECM LD NE/SW EST MWSDU

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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.