

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

API NUMBER: 039 22415 A

Approval Date: 05/28/2013
Expiration Date: 11/28/2013

Horizontal Hole Oil & Gas

Amend reason: MOVE LOCATION

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 15N Rge: 16W County: CUSTER
SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2390 1320

Lease Name: MILLER Well No: 1-20H Well will be 250 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

WESLEY & REGINA MILLER
8904 N 2410 RD
THOMAS OK 73669

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8650	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 133817

Location Exception Orders: 602831

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14175

Ground Elevation: 1788

Surface Casing: 900

Depth to base of Treatable Water-Bearing FM: 460

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 20000 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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-23418

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: 300000 Average: 200000

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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 20 Twp 15N Rge 16W County CUSTER

Spot Location of End Point: N2 N2 N2 NE

Feet From: SOUTH 1/4 Section Line: 2440

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 8675

Radius of Turn: 600

Direction: 180

Total Length: 4900

Measured Total Depth: 14175

True Vertical Depth: 8675

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category

Description

DEEP SURFACE CASING

5/24/2013 - 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

LOCATION EXCEPTION - 602831

5/28/2013 - G30 - (I.O.) 20-15N-16W
X133817 CCGV
SHL 275 FSL, 620 FEL**
POE NCT 200 F.SL, NCT 560 FEL
BHL NCT 300 FNL, NCT 560 FEL
SANGUINE GAS EXPLORATION, L.L.C
10/5/12

**SHL TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

MEMO

5/24/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 133817

5/28/2013 - G30 - (640) 20-15N-16W
EST DGTKU, TNKLT, CCGV, OTHERS