

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

API NUMBER: 007 25639

Approval Date: 09/06/2013
Expiration Date: 03/06/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 1N Rge: 24ECM County: BEAVER

SPOT LOCATION: C NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 660 1980

Lease Name: SOUTHERN SUNRISE Well No: 1-29 Well will be 660 feet from nearest unit or lease boundary.

Operator Name: REEDER ENERGY OPERATING LLC Telephone: 2143737793 OTC/OCC Number: 23220 0

REEDER ENERGY OPERATING LLC
4925 GREENVILLE AVE STE 1400
DALLAS, TX 75206-4085

DOUBLE E FARMS, LLC
3722 LAKEWAY COURT
ADDISON TX 75001

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

Name	Depth	Name	Depth
1 MORROW UPPER	8050	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 249043

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 8350 Ground Elevation: 2810 **Surface Casing: 1600** Depth to base of Treatable Water-Bearing FM: 400

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: 8000 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.

007 25639 SOUTHERN SUNRISE 1-29

Category	Description
DEEP SURFACE CASING	9/4/2013 - 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
SPACING - 249043	9/4/2013 - G72 - 29-1N-24ECM (640) DELETE 35306 MRRW; (640) EXT 242432 MRRWL; (80 LD NE/SW) EXT 242432 MRRWU;

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.