API NUMBER: 039 22419

Oil & Gas

Horizontal Hole

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

Approval Date: 10/08/2013
Expiration Date: 04/08/2014

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 15N Rge: 17W County: CUSTER

SPOT LOCATION: SW NW NE NW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2240 1420

Lease Name: AGNES Well No: 1-27H Well will be 400 feet from nearest unit or lease boundary.

Operator SANGUINE GAS EXPLORATION LLC Telephone: 9184964774 OTC/OCC Number: 21381 0

SANGUINE GAS EXPLORATION LLC

PO BOX 700720

TULSA, OK 74170-0720

AGNES HOELKER 408 S 12TH STREET

CLINTON OK 73601-

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

 Name
 Depth
 Name
 Depth

 1
 COTTAGE GROVE
 8829
 6

 2
 7
 7

 3
 8
 4

 4
 9
 10

Spacing Orders: 139564 Location Exception Orders: 616389 Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 13600 Ground Elevation: 1837 Surface Casing: 900 Depth to base of Treatable Water-Bearing FM: 450

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 INFORMATION Approved Method for disposal of Drilling Fluids:

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-24576

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

## **HORIZONTAL HOLE 1**

Sec 27 Twp 15N Rge 17W County CUSTER

Spot Location of End Point: NW NW NE NW
Feet From: SOUTH 1/4 Section Line: 2340
Feet From: WEST 1/4 Section Line: 1420

Depth of Deviation: 8800
Radius of Turn: 528
Direction: 180
Total Length: 4272

Measured Total Depth: 13600
True Vertical Depth: 8829
End Point Location from Lease,
Unit, or Property Line: 300

Notes:

Category Description

DEEP SURFACE CASING 10/8/2013 - 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 - 616389 10/8/2013 - G30 - (I.O.) 27-15N-17W

X139564 CGGV

COMP. INT. NCT 300 FNL, NCT 300 FSL, NCT 1000 FWL

SANGUINE GAS EXPLORATION, L.L.C.

9/26/13

SPACING - 139564 10/8/2013 - G30 - (640) 27-15N-17W

EXT 101646 CGGV, OTHERS