

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

API NUMBER: 139 24599

Approval Date: 11/19/2013
Expiration Date: 05/19/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 5N Rge: 16ECM County: TEXAS

SPOT LOCATION: SW SE NE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1325 2200

Lease Name: MCELROY C Well No: 1 Well will be 1325 feet from nearest unit or lease boundary.

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

OXY USA INC
PO Box 27757
HOUSTON, TX 77227-7757

IVA B. BURDGE FAMILY LTD PARTNERSHIP
P.O. BOX 612
C/O WILLIAM J. BURDGE, CO-TRUSTEE
BEAVER OK 73932

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

Name	Depth	Name	Depth
1 MORROW UP	6090	6	
2 MORROW LOW	6200	7	
3		8	
4		9	
5		10	

Spacing Orders: 36361
48447

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 7110 Ground Elevation: 3129 **Surface Casing: 1800** Depth to base of Treatable Water-Bearing FM: 250

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.

Category	Description
DEEP SURFACE CASING	11/19/2013 - 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 - 36361	11/19/2013 - G30 - (640) 7-5N-16ECM EST MRRWU
SPACING - 48447	11/19/2013 - G30 - (640) 7-5N-16ECM EST MRRWL

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