

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

API NUMBER: 129 23896

Approval Date: 11/26/2013  
Expiration Date: 05/26/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 11N Rge: 26W County: ROGER MILLS  
SPOT LOCATION:  SW  NW  SE  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 780 1400

Lease Name: DENNIS Well No: 1-22H Well will be 780 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

DENNIS L. BANKS  
309 PARKVIEW  
ELK CITY OK 73644

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

Name	Depth	Name	Depth
1 GRANITE WASH UP (MO)	11170	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 157235 Location Exception Orders: 617577 Increased Density Orders: 617814

Pending CD Numbers: Special Orders:

Total Depth: 17100 Ground Elevation: 2162 Surface Casing: 700 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

Type of Pit System: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-24800

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 OTHER HSA

Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 22 Twp 11N Rge 26W County BECKHAM

Spot Location of End Point: SE SE SW SW

Feet From: SOUTH 1/4 Section Line: 300

Feet From: WEST 1/4 Section Line: 1200

Depth of Deviation: 11192

Radius of Turn: 528

Direction: 230

Total Length: 5380

Measured Total Depth: 17100

True Vertical Depth: 11400

End Point Location from Lease,  
Unit, or Property Line: 300

Notes:

Category

Description

INCREASED DENSITY - 617814

11/21/2013 - G30 - 22-11N-26W  
X157235 MSGWU  
2 WELLS  
NO OP. NAMED  
11/5/13

LOCATION EXCEPTION - 617577

11/21/2013 - G30 - (I.O.) 22-11N-26W  
X157235 MSGWU  
COMP. INT. NCT 300 FNL, NCT 300 FSL, NCT 1200 FEL\*\*  
SANGUINE GAS EXPLORATION, L.L.C.  
10/30/13

\*\*NPT FILED, NCT 1200 FWL ATTORNEY FOR OPERATOR

MEMO

11/18/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 157235

11/21/2013 - G30 - (640) 22-11N-26W  
EXT 147147 MSGWU, OTHERS  
EXT OTHER