

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

API NUMBER: 129 23897

Approval Date: 12/05/2013
Expiration Date: 06/05/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 11N Rge: 26W County: ROGER MILLS
SPOT LOCATION: NE SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 400 1100

Lease Name: CHARLENE Well No: 1-16H Well will be 400 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

CHARLENE ROBERTS
217 E FINE BLVD
ROLAND OK 74954

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

Name	Depth	Name	Depth
1 GRANITE WASH UP (MO)	11150	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 494544

Location Exception Orders: 618325

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 17100

Ground Elevation: 2256

Surface Casing: 500

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: 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 OTHER HSA

Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-24997

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 16 Twp 11N Rge 26W County ROGER MILLS

Spot Location of End Point: SE SE SW SW

Feet From: SOUTH 1/4 Section Line: 300

Feet From: WEST 1/4 Section Line: 1000

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

LOCATION EXCEPTION - 618325

12/5/2013 - G30 - (I.O.) 16-11N-26W
X494544 MSGWU
COMP. INT NCT 300 FNL, NCT 300 FSL, NCT 1000 FWL
SANGUINE GAS EXPLORATION, L.L.C.
11/20/13

MEMO

12/3/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 -
OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 494544

12/5/2013 - G30 - (640) 16-11N-26W
EST MSGWU, OTHERS