

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

API NUMBER: 019 26022

Approval Date: 12/10/2013  
Expiration Date: 06/10/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 2S Rge: 2W County: CARTER  
SPOT LOCATION:  NE  NW  SE  SW FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 15 680

Lease Name: SOUTHEAST TATUMS UNIT Well No: 4-8 Well will be 640 feet from nearest unit or lease boundary.  
Operator Name: CITATION OIL & GAS CORPORATION Telephone: 2818911000 OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION  
PO BOX 690688  
HOUSTON, TX 77269-0688

DARREL & DONNA GREGG  
PO BOX 177  
GRAHAM OK 73437

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

Name	Depth	Name	Depth
1 DEESE	1077	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 550635

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1700

Ground Elevation: 910

Surface Casing: 0

Depth to base of Treatable Water-Bearing FM: 950

**Cement will be circulated from Total Depth to the Ground Surface on the Production Casing String.**

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-24910

H. CBL REQUIRED

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
ALTERNATE CASING	12/4/2013 - G71 - APPROVED CONTINGENT ON (1) MUDDING UP PRIOR TO TD TO PROTECT SHALLOW SANDS & (2) COPY OF CBL NEEDS TO BE SUBMITTED TO THE TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED. RULE 165: 10-3-4 (D)(4)(C)
SPACING - 550635	12/9/2013 - G30 - (UNIT) SE4 NW4, W4 NE4, W2 NW4 NE4, SE4 & NE4 SW4 22-2S-2W EST SOUTHEAST TATUMS UNIT FOR DEESS

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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.

019 26022 SOUTHEAST TATUMS UNIT 4-8