

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

API NUMBER: 087 21980

Approval Date: 12/19/2013  
Expiration Date: 06/19/2014

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 5N Rge: 2W County: MCCLAIN  
SPOT LOCATION:  SE  NW  SE  NW FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 1898 980

Lease Name: MASTERSON Well No: 1-3 Well will be 340 feet from nearest unit or lease boundary.  
Operator Name: RANKEN ENERGY CORPORATION Telephone: 4053402363 OTC/OCC Number: 17205 0

RANKEN ENERGY CORPORATION  
457 W 18TH ST  
EDMOND, OK 73013-3663

JERRALD & KAREN MASTERSON  
16367 BLANTON VIEW AVE.  
EDMOND OK 73013

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

Name	Depth	Name	Depth
1 DEESE 1	7090	6 VIOLA	7900
2 DEESE 2	7110	7 1ST BROMIDE	8400
3 DEESE 3	7130	8 2ND BROMIDE	8430
4 HART	7150	9 OIL CREEK	9200
5 HUNTON	7350	10	

Spacing Orders: 616489

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201307048

Special Orders:

Total Depth: 9599

Ground Elevation: 1104

**Surface Casing: 330**

Depth to base of Treatable Water-Bearing FM: 280

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: 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: PURCELL

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 13-24827

DIRECTIONAL HOLE 1

Sec 03 Twp 5N Rge 2W County MCCLAIN

Spot Location of End Point: NW NE SE NW

Feet From: NORTH 1/4 Section Line: 1528

Feet From: EAST 1/4 Section Line: 656

Measured Total Depth: 9599

True Vertical Depth: 9572

End Point Location from Lease,

Unit, or Property Line: 656

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
PENDING CD - 201307048	12/19/2013 - G75 - (I.O.) E2 NW4 3-5N-2W X616489 DEES1, DEES2, DEES3, HART, HNTN, VIOL, BRMD1, BRMD2, OLCK, OTHERS SHL 742 FSL, 980 FEL ENTRY/EXIT NCT 200 FNL, NCT 330 FEL NO OP. NAMED REC 11-22-2013 (STUCK)
SPACING - 616489	12/19/2013 - G75 - (80) E2 NW4 3-5N-2W SU NCT 330' SE4 NW4 VAC 41764 HNTN, VIOL E2 NW4 VAC 44902 HART E2 NW4 EXT 139760 DEES1, DEES2, HNTN, VIOL, BRMD1, BRMD2, OTHERS EXT 139756 HART, OLCK EST DEES3, OTHERS

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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.