

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

API NUMBER: 139 24603

Approval Date: 01/10/2014  
Expiration Date: 07/10/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 5N Rge: 15ECM County: TEXAS

SPOT LOCATION:  NE  SW  NE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 900 750

Lease Name: JOHNSTON C Well No: 2 Well will be 330 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

SHARRON L. GIBSON TRUST  
921 PALISADE DR.  
MARTINEZ CA 94553

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

Name	Depth	Name	Depth
1 MORROW SANDS UP	6050	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 36361

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201308368

Special Orders:

Total Depth: 7020

Ground Elevation: 3092

**Surface Casing: 1750**

Depth to base of Treatable Water-Bearing FM: 600

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

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.

139 24603 JOHNSTON C 2

Category	Description
DEEP SURFACE CASING	1/9/2014 - 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
FRAC FOCUS	1/9/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
PENDING CD - 201308368	1/9/2014 - G30 - 35-5N-15ECM X36361 MUSDS 900 FNL, 750 FEL NO OP. NAMED REC 1/7/14 (P.PORTER)
SPACING - 36361	1/9/2014 - G30 - (640) 35-5N-15ECM EST MUSDS

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