

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

API NUMBER: 039 22424

Approval Date: 01/10/2014

Expiration Date: 07/10/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 13N Rge: 17W County: CUSTER

SPOT LOCATION:     FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2415 1900

Lease Name: BAKER Well No: 1-35H Well will be 225 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

JAY BAKER & MISTY LYNN BAKER  
515 S. 14TH  
CLINTON OK 73601

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

Name	Depth	Name	Depth
1 CLEVELAND	10074	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 185491

Location Exception Orders: 616390

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15000

Ground Elevation: 1718

**Surface Casing: 900**

Depth to base of Treatable Water-Bearing FM: 430

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 14-26166

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 35 Twp 14N Rge 17W County CUSTER

Spot Location of End Point: N2 N2 N2 NW

Feet From: SOUTH 1/4 Section Line: 2415

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 9549

Radius of Turn: 525

Direction: 360

Total Length: 4401

Measured Total Depth: 15000

True Vertical Depth: 10074

End Point Location from Lease,  
Unit, or Property Line: 225

Notes:

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

LOCATION EXCEPTION - 616390

1/10/2014 - G30 - (I.O.) 35-14N-17W  
X185491 CLVD  
COMP. INT. NCT 300 FNL, NCT 300 FSL, NCT 1000 FWL  
SANGUINE GAS EXPLORATION, L.L.C.  
9/26/13

MEMO

1/9/2014 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 185491

1/10/2014 - G30 - (640) 35-14N-17W  
EXT 104183 CLVD, OTHER

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039 22424 BAKER 1-35H