

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

API NUMBER: 039 22436

Approval Date: 06/06/2014

Expiration Date: 12/06/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 15N Rge: 17W County: CUSTER

SPOT LOCATION: ☐ SE ☐ SE ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 215 1240

Lease Name: RAEI-CHERRY Well No: 1-14H Well will be 215 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

JOAN CHERRY
9 BLUE SKY COURT
PUEBLO CO 81001

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8760	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 134590

Location Exception Orders: 625848

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13700

Ground Elevation: 1850

Surface Casing: 900

Depth to base of Treatable Water-Bearing FM: 470

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: 6000

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 BED AQUIFER

Pit Location Formation: CLOUD CHIEF

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-27229
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 14 Twp 15N Rge 17W County CUSTER

Spot Location of End Point: NE NE NW NE

Feet From: SOUTH 1/4 Section Line: 2340

Feet From: WEST 1/4 Section Line: 1240

Depth of Deviation: 8312

Radius of Turn: 500

Direction: 360

Total Length: 4602

Measured Total Depth: 13700

True Vertical Depth: 8812

End Point Location from Lease,

Unit, or Property Line: 300

Additional Surface Owner	Address	City, State, Zip
DENISE RAEI	303 W. ADAMS AVE.	PUEBLO, CO 81004

Notes:

Category

Description

DEEP SURFACE CASING

5/29/2014 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

LOCATION EXCEPTION - 625848

6/6/2014 - G75 - (E.O.) 14-15N-17W
X134590 CGGV
SHL 215 FSL, 1400 FEL
COMPL. INT. NCT 300 FSL, NCT 300 FNL, NCT 1000 FEL
SANGUINE GAS EXPLOR., L.L.C.
5-22-2014

SPACING - 134590

6/6/2014 - G75 - (640) 14-15N-17W
EXT 101646 CGGV, OTHERS
EXT OTHER

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039 22436 RAEI-CHERRY 1-14H