

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

API NUMBER: 139 24615

Approval Date: 09/03/2014
Expiration Date: 03/03/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 2N Rge: 14ECM County: TEXAS

SPOT LOCATION: S2 N2 SE NW FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 680 660

Lease Name: BATHURST Well No: 15-22 Well will be 660 feet from nearest unit or lease boundary.

Operator Name: CAERUS KANSAS LLC Telephone: 3035654600 OTC/OCC Number: 23029 0

CAERUS KANSAS LLC
600 17TH ST STE 1600N
DENVER, CO 80202-5403

ROSE MARY BATHURST
PO BOX 389
BLACKWELL OK 74631

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

	Name	Depth	Name	Depth
1	COUNCIL GROVE	3009	6	
2	TOPEKA	3519	7	
3	TORONTO	4349	8	
4	MARMATON	5209	9	
5	CHEROKEE	5704	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5864 Ground Elevation: 3177 **Surface Casing: 1700** Depth to base of Treatable Water-Bearing FM: 490

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: 8000 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

Additional Surface Owner Address City, State, Zip
HARRY ELMORE AND CHARLENE Y 1476 N. 13TH STREET BLACKWELL, OK 74631

Notes:

This permit does not grant 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
DEEP SURFACE CASING	9/3/2014 - 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	7/30/2014 - 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 HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING	9/3/2014 - G72 - FORMATIONS UNSPACED 160 ACRE LEASE NW/4 (PER OPERATOR)

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.