

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

API NUMBER: 139 24616

Approval Date: 09/05/2014
Expiration Date: 03/05/2015

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 2N Rge: 14ECM County: TEXAS

SPOT LOCATION: SW SE SE NE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 120 535

Lease Name: MRS. LISA DOUGLAS Well No: 21-32 Well will be 120 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

DAVID LONG ENTERPRISES
PO BOX 378
GUYMON OK 73942

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

	Name	Depth	Name	Depth
1	COUNCIL GROVE	3024	6	
2	TOPEKA	3519	7	
3	TORONTO	4349	8	
4	MARMATON	5209	9	
5	CHEROKEE	5699	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6100 Ground Elevation: 3187 **Surface Casing: 1700** Depth to base of Treatable Water-Bearing FM: 450

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

DIRECTIONAL HOLE 1

Sec 21 Twp 2N Rge 14E County TEXAS

Spot Location of End Point: NE NE SW NE

Feet From: SOUTH 1/4 Section Line: 1010

Feet From: WEST 1/4 Section Line: 1140

Measured Total Depth: 6100

True Vertical Depth: 5854

End Point Location from Lease,

Unit, or Property Line: 1010

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
DEEP SURFACE CASING	8/4/2014 - G76 - 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	7/29/2014 - G76 - 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
POE	9/5/2014 - G72 - WILL BE AT A LEGAL LOCATION JUST ABOVE BHL AT 1010 FSL PER OPERATOR.
SPACING	9/5/2014 - G72 - FORMATIONS UNSPACED; 160 ACRE LEASE (NE).

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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.

139 24616 MRS. LISA DOUGLAS 21-32