

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

API NUMBER: 019 26154

Approval Date: 12/08/2014
Expiration Date: 06/08/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 2S Rge: 2W County: CARTER
SPOT LOCATION: NE SE SE NE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 573 186

Lease Name: COX PENN SAND UNIT Well No: 202 Well will be 186 feet from nearest unit or lease boundary.

Operator Name: CITATION OIL & GAS CORPORATION Telephone: 2818911000 OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION
PO BOX 690688
HOUSTON, TX 77269-0688

CITATION OIL & GAS CORP.
P.O. BOX 690688
HOUSTON TX 77269

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

| | Name | Depth | Name | Depth |
|---|---------|-------|------|-------|
| 1 | PENN SD | 1538 | 6 | |
| 2 | | | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 45616

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1850 Ground Elevation: 946 **Surface Casing: 750** Depth to base of Treatable Water-Bearing FM: 700

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED

Chlorides Max: 1600 Average: 900

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28698

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.

019 26154 COX PENN SAND UNIT 202

| Category | Description |
|-----------------|---|
| FRAC FOCUS | 10/27/2014 - 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 - 45616 | 12/8/2014 - G75 - (UNIT) SW4 NW4 15 & SE4 NE4 16-2S-2W EST COX PENN SAND UNIT FOR PVSD |
| WELL NAME | 12/8/2014 - G75 - COX PENN SAND UNIT PER OPERATOR |

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019 26154 COX PENN SAND UNIT 202