

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

API NUMBER: 153 23567

Approval Date: 02/17/2015
Expiration Date: 08/17/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 21N Rge: 17W County: WOODWARD
SPOT LOCATION: C NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1980 660

Lease Name: SOUTHERN JAZZ Well No: 1-23 Well will be 660 feet from nearest unit or lease boundary.
Operator Name: REEDER ENERGY OPERATING LLC Telephone: 2143737793 OTC/OCC Number: 23220 0

REEDER ENERGY OPERATING LLC
4925 GREENVILLE AVE STE 1400
DALLAS, TX 75206-4085

DALE M RUMSEY TRUST
P O BOX 6235
PEORIA AZ 85385

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

	Name	Depth	Name	Depth
1	OSWEGO	7225	6	
2	CHEROKEE	7500	7	
3			8	
4			9	
5			10	

Spacing Orders: 161098

Location Exception Orders:

Increased Density Orders: 634815

Pending CD Numbers: 201408081

Special Orders:

Total Depth: 7700

Ground Elevation: 1840

Surface Casing: 800

Depth to base of Treatable Water-Bearing FM: 220

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: 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

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.

153 23567 SOUTHERN JAZZ 1-23

Category	Description
DEEP SURFACE CASING	2/17/2015 - 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	2/17/2015 - 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
INCREASED DENSITY - 634815	2/17/2015 - G91 - 23-21N-17W X426300 CHRK, OTHER ** 1 WELL REEDER ENERGY OPERATING, LLC. 1-6-2015 ** S/B X161098 CHRK; TO BE CORRECTED IN FINAL ORDER PER OPERATOR**
PENDING CD - 201408081	2/17/2015 - G91 - 23-21N-17W XOTHER X426300 OSWG, CHRK, OTHER ** NCT 1980 FSL, NCT 660 FWL NO OP. NAMED REC. 11-24-2014 (OSBURN) ** S/B X161098 OSWG, CHRK; TO BE CORRECTED IN FINAL ORDER PER OPERATOR**
SPACING - 161098	2/17/2015 - G91 - (640) 23-21N-17W EXT 59756/113160 OSWG EXT 38138/152600 CHRK EXT OTHERS