

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

API NUMBER: 017 24919

Approval Date: 07/12/2016
Expiration Date: 01/12/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 14N Rge: 7W

County: CANADIAN

SPOT LOCATION: SW SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 233 233

Lease Name: QUERENCIA 27-14-7

Well No: 1MH

Well will be 233 feet from nearest unit or lease boundary.

Operator Name: CASILLAS OPERATING LLC

Telephone: 9185825310

OTC/OCC Number: 23838 0

CASILLAS OPERATING LLC
PO BOX 3668
TULSA, OK 74101-3668

FREDDIE & ALBERTA PETERS
925 192ND ST NE
OKARCHE OK 73762

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	8716	6	
2	WOODFORD	9196	7	
3			8	
4			9	
5			10	

Spacing Orders: 82944
134032

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602580
201602581
201602857

Special Orders:

Total Depth: 13906

Ground Elevation: 1207

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 310

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: 5000 Average: 3000

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: DUNCAN

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31393

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: 3
Liner required for Category: 3
Pit Location is BED AQUIFER
Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 27 Twp 14N Rge 7W County CANADIAN
Spot Location of End Point: NE NW NW NW
Feet From: NORTH 1/4 Section Line: 50
Feet From: WEST 1/4 Section Line: 360
Depth of Deviation: 8447
Radius of Turn: 640
Direction: 1
Total Length: 4454
Measured Total Depth: 13906
True Vertical Depth: 9196
End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, HYDRAULIC FRACTURING, MEMO, PENDING CD - 201602580, and PENDING CD - 201602581.

**WILL BE CORRECTED AT THE HEARING FOR FINAL ORDER LOCATION EXCEPTION

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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.

Category	Description
PENDING CD - 201602857	7/12/2016 - G60 - 27-14N-7W X134032 MISS 1 WELL NO OP. NAMED HEARING 8-9-16
SPACING - 134032	7/7/2016 - G60 - (640) 27-14N-7W EST MISS

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