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

API NUMBER: 017 24920 A

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

Horizontal Hole Oil & Gas

Amend reason: ADD FORMATION; ADD INCREASED DENSITY

AMEND 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** **263**

Lease Name: QUERENCIA 27-14-7 **Well No: 1WH** **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	MISSISSIPIAN	8716	6		
2	WOODFORD	9196	7		
3	HUNTON	9296	8		
4			9		
5			10		

Spacing Orders: 654449
134032
82944

Location Exception Orders: 654451

Increased Density Orders:

Pending CD Numbers: 201602857

Special Orders:

Total Depth: 14286 Ground Elevation: 1208 **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: 16-31394
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: 410

Depth of Deviation: 8830

Radius of Turn: 640

Direction: 2

Total Length: 4451

Measured Total Depth: 14286

True Vertical Depth: 9296

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category	Description
DEEP SURFACE CASING	7/7/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	7/7/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
LOCATION EXCEPTION - 654451	7/7/2016 - G60 - (E.O.) 27-14N-7W X654449 MISS, WDFD, HNTN COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL CASILLAS OPERATING, INC. REC. 7-8-16 (M. PORTER)
PENDING CD - 201602857	8/8/2016 - G60 - 27-14N-7W X134032 MISS 1 WELL ** NO OP. NAMED HEARING 9/6/16 ** WILL BE CORRECTED TO 2 WELLS AT THE HEARING
SPACING - 134032	8/8/2016 - G60 - (640) 27-14N-7W EST MISS

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
SPACING - 654449	7/7/2016 - G60 - (E.O.)(640)(HOR) 27-14N-7W VAC OTHER EXT 621416 WDFD COMPL. INT. NLT 165' FNL, NLT 165' FSL, NLT 330' FEL OR FWL REC. 7-8-16 (M. PORTER)
SPACING - 82944	7/7/2016 - G60 - (640) 27-14N-7W EST HNTN, OTHERS EXT OTHER

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.