

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

API NUMBER: 083 23818 F

Approval Date: 11/05/2012
Expiration Date: 05/05/2013

Horizontal Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Sec: 23 Twp: 16N Rge: 1E

County: LOGAN

SPOT LOCATION: SE SW SW NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 200 492

Lease Name: BEDFORD BREAUX 2 (HORSETHIEF)

Well No: 23-1-H

Well will be 492 feet from nearest unit or lease boundary.

Operator Name: BEDFORD ENERGY INC

Telephone: 4056082700

OTC/OCC Number: 22156 0

BEDFORD ENERGY INC
3555 NW 58TH ST STE 1000
OKLAHOMA CITY, OK 73112-4723

CHRISTOPHER K. FRANKLIN
1509 N. DOUGLAS BLVD.
ARCADIA OK 73007-

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

Name	Depth	Name	Depth
1 HUNTON	4830	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 525780

Location Exception Orders: 591996

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 8942

Ground Elevation: 976

Surface Casing: 430 IP

Depth to base of Treatable Water-Bearing FM: 380

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: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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.

HORIZONTAL HOLE 1

Sec 23 Twp 16N Rge 1E County LOGAN

Spot Location of End Point: C SE SE

Feet From: SOUTH 1/4 Section Line: 660

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 3942

Radius of Turn: 955

Direction: 135

Total Length: 3500

Measured Total Depth: 8942

True Vertical Depth: 4897

End Point Location from Lease,
Unit, or Property Line: 660

Notes:

Category	Description
LOCATION EXCEPTION - 591998	11/5/2012 - G30 - (I.O.) X525780 HNTN SHL 200 FSL, 492 FWL N2 23-16N-1E POE 674 FNL, 1003 FWL S2 23-16N-1E START COMPL. INT. 650 FNL, 987 FWL S2 23-16N-1E END COMPL. INT. NCT 660 FSL, NCT 660 FEL S2 23-16N-1E BEDFORD ENERGY, INC 12-14-2011
SPACING - 525780	11/5/2012 - G30 - (320) 23-16N-1E LD NW/SE VAC 209281 HNTN N2 & SW4 VAC OTHERS N2 VAC 351714 MSRH, OTHERS SE4 VAC OTHERS SE4 EXT/REFORM 472991 HNTN, OTHERS EST OTHERS

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.

Dennis Niskern

To: Bruce Scambler
Cc: Susan Conrad; Duncan Woodliff
Subject: RE: OCC Letter Feb 2014 - API 083-23818-06

Yes, thank you for your response. You are correct nothing required from your company at this time on this matter based on what you stated in this email.

From: Bruce Scambler [mailto:scamblerbj@msn.com]
Sent: Tuesday, March 11, 2014 12:59 PM
To: Dennis Niskern
Cc: Susan Conrad; 'Bruce Scambler'; Duncan Woodliff
Subject: OCC Letter Feb 2014 - API 083-23818-06

Dennis Niskern D.Niskern@occemail.com

Dennis,
I left you a voicemail.

Regarding the Breaux 2-H

We took this well over when the previous operator bond was found to be unfunded. The "Horsethief's" operators Attorney John Lee III submitted the completion report.

Regarding our recent works to try to get production on the well there is a lot to do...

- 1 we have not finished the work yet, operations have not been completed
Reason:
- 2 we suspect the recent earthquakes have caused a bridge and we need to re-enter to clear the obstruction.
- 3 We have not deepened the well
- 4 Copies of the logs we ran were sent in to your department on the last letter request.
- 5 We have at this time done no additional cementing, that is possibly planned after we clear the bridge and put in a liner.

We shall file the required forms when we complete the works

- 6 Prior completion 2006 -
The Directional survey is on file and on record

Could you please advise Mr. Duncan Woodliff accordingly.

Is there a reason his letter does not have an email or a telephone number other than yours?

I presume reply be email helps to reply to the letter.