

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

API NUMBER: 009 21871 A

Approval Date: 11/19/2012
Expiration Date: 05/19/2013

Horizontal Hole Oil & Gas

Amend reason: AMEND WELL NUMBER

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 11N Rge: 25W County: BECKHAM
SPOT LOCATION: SW SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 250 560

Lease Name: MCCURRY Well No: 4-21H Well will be 250 feet from nearest unit or lease boundary.
Operator Name: SM ENERGY COMPANY Telephone: 9184887600 OTC/OCC Number: 21517 0

SM ENERGY COMPANY
6120 S YALE AVE STE 1300
TULSA, OK 74136-4210

JASON ROSS & MICAH ROSS GRAVES
2701 FONTAINE PL
EL RENO OK 73036

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

Name	Depth	Name	Depth
1	DES MOINES (LOW GRANITE WASH)	12850	6
2			7
3			8
4			9
5			10

Spacing Orders: 210384

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201204315

Special Orders:

Total Depth: 18091

Ground Elevation: 2094

Surface Casing: 650

Depth to base of Treatable Water-Bearing FM: 490

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 65000 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: C

Liner not required for Category: C

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 12-21885

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: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 21 Twp 11N Rge 25W County BECKHAM

Spot Location of End Point: NW NE NE NE

Feet From: SOUTH 1/4 Section Line: 2516

Feet From: WEST 1/4 Section Line: 2072

Depth of Deviation: 12837

Radius of Turn: 573

Direction: 360

Total Length: 4342

Measured Total Depth: 18089

True Vertical Depth: 13410

End Point Location from Lease,
Unit, or Property Line: 124

Notes:

Category

Description

MEMO

11/16/2012 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201204315

11/19/2012 - G30 - 21-11N-25W
X210384/213498 DMLGW, OTHERS
SHL NCT 200 FSL, NCT 200 FEL
1ST PERF NCT 300 FSL, NCT 500 FEL
LAST PERF NCT 300 FNL, NCT 500 FEL
BHL NCT 1 FNL, NCT 500 FEL
NO OP. NAMED
REC 9/24/12

SPACING - 210384

11/19/2012 - G30 - (640) 21-11N-25W
EXT 67733 DMLGW, OTHERS
EXT OTHERS