

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

API NUMBER: 149 21674

Approval Date: 01/23/2013

Expiration Date: 07/23/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 11N Rge: 18W

County: WASHITA

SPOT LOCATION: SW SE SE SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 205 580

Lease Name: BULLITT

Well No: 2-25H

Well will be 205 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

MAXINE K. EVERS, TRUSTEE
2590 INDIAN OAKS TRAIL
SPRINGDALE AR 72762

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

Name	Depth	Name	Depth
1 DES MOINES	12025	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 197255

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201207205
201207204

Special Orders:

Total Depth: 17350

Ground Elevation: 1587

Surface Casing: 1495

Depth to base of Treatable Water-Bearing FM: 290

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 BED AQUIFER

Pit Location Formation: CLOUD CHIEF

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

PERMIT NO: 13-22376

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 BED AQUIFER

Pit Location Formation: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 25 Twp 11N Rge 18W County WASHITA

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 580

Depth of Deviation: 11980

Radius of Turn: 573

Direction: 360

Total Length: 4470

Measured Total Depth: 17350

True Vertical Depth: 12531

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category	Description
DEEP SURFACE CASING	1/23/2013 - 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
MEMO	1/23/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201207204	1/23/2013 - G30 - 25-11N-18W X197255 DSMN 1 WELL NO OP. NAMED REC 12/10/12 (JOHNSON)
PENDING CD - 201207205	1/23/2013 - G30 - 25-11N-18W X197255 DSMN SHL NCT 205 FSL, NCT 580 FEL 1ST PERF NCT 330 FSL, NCT 350 FEL LAST PERF NCT 330 FNL, NCT 350 FEL BHL NCT 1 FNL, NCT 350 FEL NO OP. NAMED REC 12/10/12 (JOHNSON)
SPACING - 197255	1/23/2013 - G30 - (640) 25-11N-18W EXT 171887 DSMN, OTHERS EST OTHERS

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