API NUMBER: 119 24032

Horizontal Hole Oil & Gas

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

Approval Date: 02/05/2013
Expiration Date: 08/05/2013

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 19N Rge: 1W County: PAYNE

SPOT LOCATION: N2 NE NE NE FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **2460** **2310**

Lease Name: B & W HOPKINS **Well No: 1-32H** **Well will be 180 feet from nearest unit or lease boundary.**

Operator Name: **B & W OPERATING LLC** Telephone: 4052361807 OTC/OCC Number: 21277 0

B & W OPERATING LLC
100 PARK AVE STE 1020
OKLAHOMA CITY, OK 73102-5601

JANICE HOPKINS
7305 S. VASSAR RD.
COYLE OK 73027

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	4928	6		
2	WOODFORD	5080	7		
3	MISENER-HUNTON	5200	8		
4			9		
5			10		

Spacing Orders: 601396 Location Exception Orders: 607049 Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 9500 Ground Elevation: 1009 **Surface Casing: 390** Depth to base of Treatable Water-Bearing FM: 140

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.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-22356

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 32 Twp 19N Rge 1W County PAYNE

Spot Location of End Point: W2 SE SE SE

Feet From: SOUTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 2140

Depth of Deviation: 4241

Radius of Turn: 618

Direction: 181

Total Length: 4288

Measured Total Depth: 9500

True Vertical Depth: 5200

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category	Description
LOCATION EXCEPTION - 607049	2/5/2013 - G75 - (I.O.) 32-19N-1W X601396 MSSP, WDFD, MSRH COMPL. INT. NCT 200 FNL, NCT 200 FSL, NCT 330 FEL B & W OP., L.L.C. 1-28-2013
SPACING - 601396	2/5/2013 - G75 - (640/160) 32-19N-1W EST (160)(VER) OTHER EXT (640)(HOR) 593479 MSSP, WDFD, MSRH POE TO BHL (WDFD) NCT 330' FB POE TO BHL (OTHERS) NCT 660' FB (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)

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