

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

API NUMBER: 117 23513

Approval Date: 02/06/2013

Expiration Date: 08/06/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 22N Rge: 3E

County: PAWNEE

SPOT LOCATION: C N2 NW NW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2310 660

Lease Name: GILBERT

Well No: 2H-32

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: HIGHMOUNT OPERATING LLC

Telephone: 4057495263

OTC/OCC Number: 22912 0

HIGHMOUNT OPERATING LLC  
14000 QUAIL SPRINGS PKWY FL 600  
OKLAHOMA CITY, OK 73134-2616

EVA W. GILBERT TRUSTEE OF  
46050 SOUTH 336 ROAD  
RICHARD M. & EVA W. GILBERT LIVING TRUST  
MORRISON OK 73061

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

|   | Name          | Depth | Name | Depth |
|---|---------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 4115  | 6    |       |
| 2 |               |       | 7    |       |
| 3 |               |       | 8    |       |
| 4 |               |       | 9    |       |
| 5 |               |       | 10   |       |

Spacing Orders: 580134

Location Exception Orders: 598692

Increased Density Orders: 599136

598744

Pending CD Numbers:

Special Orders:

Total Depth: 8950

Ground Elevation: 997

**Surface Casing: 380**

Depth to base of Treatable Water-Bearing FM: 270

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: OSCAR

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 32 Twp 22N Rge 3E County PAWNEE

Spot Location of End Point: S2 S2 SW SW

Feet From: SOUTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 3500

Radius of Turn: 1130

Direction: 180

Total Length: 4320

Measured Total Depth: 8950

True Vertical Depth: 4185

End Point Location from Lease,  
Unit, or Property Line: 150

Notes:

| Category                    | Description  |
|-----------------------------|--|
| INCREASED DENSITY - 598744  | 2/6/2013 - G30 - 32-22N-3E<br>X580134 MSSP<br>1 WELL<br>HIGHMOUNT OPERATING LLC<br>6/14/12   |
| INCREASED DENSITY - 599136  | 2/6/2013 - G30 - NPT 598744<br>CORRECT TYPO ERROR TO REMOVE REFERENCE TO PAYNE CO.; LOCATION IS IN PAWNEE CO.  |
| LOCATION EXCEPTION - 598692 | 2/6/2013 - G30 - (I.O.) 32-22N-3E<br>X580134 MSSP<br>SHL 330 FNL, 660 FWL<br>1ST PERF NCT 660 FNL, NCT 660 FWL<br>LAST PERF NCT 330 FSL, NCT 660 FWL<br>HIGHMOUNT OPERATING LLC<br>6/13/12 |
| SPACING - 580134            | 2/6/2013 - G30 - (640) 32-22N-3E<br>DEL 229999 MSSLM<br>EST MSSP   |