

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

API NUMBER: 117 23514

Approval Date: 02/06/2013
Expiration Date: 08/06/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 22N Rge: 3E County: PAWNEE
SPOT LOCATION: NW NW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 250 1100

Lease Name: FRANCIS HUDGINS Well No: 11-2H Well will be 250 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

GARY E. PARLI TRUST
302 E A AVENUE
MORRISON OK 73061

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	3860	6
2			7
3			8
4			9
5			10

Spacing Orders: 594815

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201300238
201300237

Special Orders:

Total Depth: 8600

Ground Elevation: 1000

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 230

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 11 Twp 22N Rge 3E County PAWNEE

Spot Location of End Point: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 150

Feet From: WEST 1/4 Section Line: 1953

Depth of Deviation: 3100

Radius of Turn: 1100

Direction: 180

Total Length: 4400

Measured Total Depth: 8600

True Vertical Depth: 3970

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

Notes:

Category	Description
PENDING CD - 201300237	1/30/2013 - G30 - 11-22N-3E X594815 MSSP 1 WELL NO OP. NAMED REC 2/5/13 (M.PORTER)
PENDING CD - 201300238	1/30/2013 - G30 - 11-22N-3E X594815 MSSP, OTHERS SHL 250 FNL, 1100 FEL 1ST PERF NCT 550 FNL, NCT 560 FEL LAST PERF NCT 150 FSL, NCT 560 FEL NO OP. NAMED REC 2/5/13 (M.PORTER)
SPACING - 594815	1/30/2013 - G30 - (80/640) 11-22N-3E DEL 176104 MSSLM DEL 313633 MSSLM DEL 65755 MSSLM EST OTHER EXT OTHER (640 HOR) EST MSSP, OTHER

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