

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

API NUMBER: 009 21878

Approval Date: 02/19/2013  
Expiration Date: 08/19/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 11N Rge: 25W County: BECKHAM  
SPOT LOCATION:  NW  NE  NW  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 250 700

Lease Name: TIPTON 28-11-25 Well No: 1H Well will be 250 feet from nearest unit or lease boundary.  
Operator Name: LINN OPERATING INC Telephone: 2818404000; 2818404 OTC/OCC Number: 22182 0

LINN OPERATING INC  
14000 QUAIL SPRINGS PKWY STE. 5000  
OKLAHOMA CITY, OK 73134

GERALD VINSON TIPTON  
P.O. BOX 1541  
SWEETWATER OK 73666

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

| Name                      | Depth | Name | Depth |
|---------------------------|-------|------|-------|
| 1 MO'AN (UP GRANITE WASH) | 11515 | 6    |       |
| 2                         |       | 7    |       |
| 3                         |       | 8    |       |
| 4                         |       | 9    |       |
| 5                         |       | 10   |       |

Spacing Orders: 147147

Location Exception Orders:

Increased Density Orders: 600675  
601309

Pending CD Numbers: 201300557

Special Orders:

Total Depth: 16275

Ground Elevation: 2051

**Surface Casing: 590**

Depth to base of Treatable Water-Bearing FM: 440

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 30000 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: 1B

Liner required for Category: 1B

Pit Location is OTHER HSA

Pit Location Formation: DOXEY

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

B. Solidification of pit contents.

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

PERMIT NO: 13-22522

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: ON SITE
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: 3
Liner required for Category: 3
Pit Location is OTHER HSA
Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 28 Twp 11N Rge 25W County BECKHAM
Spot Location of End Point: SW SE SW SW
Feet From: SOUTH 1/4 Section Line: 300
Feet From: WEST 1/4 Section Line: 700
Depth of Deviation: 10672
Radius of Turn: 575
Direction: 180
Total Length: 4700
Measured Total Depth: 16275
True Vertical Depth: 11515
End Point Location from Lease,
Unit, or Property Line: 300

Notes:

Table with 2 columns: Category, Description. Contains notes about increased density, memo, pending CD, and spacing.

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.