

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

API NUMBER: 117 23522

Approval Date: 03/13/2013
Expiration Date: 09/13/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 22N Rge: 3E

County: PAWNEE

SPOT LOCATION: SE SE SE SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 250 2500

Lease Name: WOLFF

Well No: 1H-25

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

CHARLES BENES
40151 E. 4600 RD.
MORRISON OK 73061

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

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 3855 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 599956

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201301098

Special Orders:

Total Depth: 8600

Ground Elevation: 904

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 180

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: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

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

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 25 Twp 22N Rge 3E County PAWNEE

Spot Location of End Point: NE NE NE NW

Feet From: SOUTH 1/4 Section Line: 2490

Feet From: WEST 1/4 Section Line: 2500

Depth of Deviation: 3100

Radius of Turn: 1300

Direction: 360

Total Length: 4085

Measured Total Depth: 8600

True Vertical Depth: 3985

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

Notes:

| Category | Description |
|------------------------|--|
| PENDING CD - 201301098 | 3/8/2013 - G30 - 25-22N-3E X599956 MSSP, OTHERS SHL 250 FSL, 2500 FWL 1ST PERF NCT 660 FSL, NCT 1980 FWL LAST PERF NCT 150 FNL, NCT 1980 FWL NO OP. NAMED REC 3/12/13 (M.PORTER) |
| SPACING - 599956 | 3/8/2013 - G30 - (40/640) 25-22N-3E (40) EST OTHERS (640 HOR) EST MSSP, OTHER POE TO BHL: NCT 660' FB (SUPERCEDE EXISTING NON-DEVELOPED NON-HORIZONTAL SPACING UNITS) |