

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

API NUMBER: 047 24685

Approval Date: 03/28/2013
Expiration Date: 09/28/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 21N Rge: 8W County: GARFIELD
SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 250 1385

Lease Name: COYOTE Well No: 1-20H Well will be 250 feet from nearest unit or lease boundary.
Operator Name: USEDC OKC LLC Telephone: 7166360401 OTC/OCC Number: 22989 0

USEDC OKC LLC
2350 N FOREST RD
GETZVILLE, NY 14068-1296

KEVIN RAY MACK
PO BOX 164
DRUMMOND OK 73735

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

Name	Depth	Name	Depth
1 MISSISSIPPI	7085	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 62980

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201302007

Special Orders:

Total Depth: 12380

Ground Elevation: 1220

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 380

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: CEDAR HILLS

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-22924

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 20 Twp 21N Rge 8W County GARFIELD

Spot Location of End Point: NW NW NE NE

Feet From: SOUTH 1/4 Section Line: 2436

Feet From: WEST 1/4 Section Line: 1379

Depth of Deviation: 6650

Radius of Turn: 600

Direction: 360

Total Length: 4030

Measured Total Depth: 12380

True Vertical Depth: 7250

End Point Location from Lease,
Unit, or Property Line: 204

Notes:

Category	Description
MUNICIPAL WATER WELLS	3/26/2013 - G71 - ENID #1 - 3 WELLS, SW4 20-21N-8W
PENDING CD - 201302007	3/27/2013 - G30 - (E.O.) 20-21N-8W X62980 MISS SHL NCT 250 TO SL, NCT 1220 TO EL POE NCT 330 TO SL, NCT 1220 TO EL 1ST PERF NCT 850 TO SL, NCT 1220 TO EL LAST PERF/BHL NCT 200 TO NL, NCT 1220 TO EL NO OP. NAMED REC 3/26/13 (DECKER, BY INITIALS)
SPACING - 62980	3/27/2013 - G30 - (640) 20-21N-8W DEL 53277 MPLM EXT 60948 MISS