

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

API NUMBER: 009 21883

Approval Date: 04/09/2013
Expiration Date: 10/09/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 11N Rge: 26W

County: BECKHAM

SPOT LOCATION: NW NE NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 250 685

Lease Name: ANDERSON 24-11-26

Well No: 7HH

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

LARRY DEAN ANDERSON
812 CHATSWORTH DR
GROVE OK 74344

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

| Name | Depth | Name | Depth |
|---------------------------|-------|------|-------|
| 1 MO'AN (UP GRANITE WASH) | 11195 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 147147
249513

Location Exception Orders: 608021

Increased Density Orders:

Pending CD Numbers: 201300374

Special Orders:

Total Depth: 16000

Ground Elevation: 2181

Surface Casing: 520

Depth to base of Treatable Water-Bearing FM: 370

Under Federal Jurisdiction: Yes

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 BED AQUIFER

Pit Location Formation: OGALLALA

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: 13-22811

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 BED AQUIFER
Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 24 Twp 11N Rge 26W County BECKHAM
Spot Location of End Point: N2 N2 NW NW
Feet From: NORTH 1/4 Section Line: 300
Feet From: WEST 1/4 Section Line: 660
Depth of Deviation: 11250
Radius of Turn: 575
Direction: 355
Total Length: 4700
Measured Total Depth: 16000
True Vertical Depth: 11250
End Point Location from Lease,
Unit, or Property Line: 300

Notes:

Table with 2 columns: Category, Description. Contains notes about LOCATION EXCEPTION - 608021, MEMO, PENDING CD - 201300374, and SPACING - 249513.

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