API NUMBER: 007 25623

Oil & Gas

Horizontal Hole

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

Approval Date: 07/10/2013
Expiration Date: 01/10/2014

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 1N Rge: 22ECM County: BEAVER

SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST SECTION LINES: 220 1000

Lease Name: FERGUSON Well No: 1-31H Well will be 220 feet from nearest unit or lease boundary.

 Operator Name:
 UNIT PETROLEUM COMPANY
 Telephone:
 9184937700; 9184937
 OTC/OCC Number:
 16711 0

UNIT PETROLEUM COMPANY

P.O. Box 702500

TULSA, OK 74170-2500

WENDELL FERGUSON

C/O ERIC FERGUSON ATTORNEY IN FACT

RT 1, BOX 57

BALKO OK 73931

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

Name Depth Name Depth 1 **DOUGLAS** 5450 6 2 LANSING-KANSAS CITY 5700 7 3 MARMATON 6650 8 9 10 611630 Spacing Orders: Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201303470 Special Orders:

Total Depth: 11331 Ground Elevation: 2900 Surface Casing: 1995 Depth to base of Treatable Water-Bearing FM: 600

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: 20000 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?

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: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23698

H. SEE MEMO

HORIZONTAL HOLE 1

Sec 31 Twp 1N Rge 22E County BEAVER

Spot Location of End Point: W2 NW NE NE
Feet From: NORTH 1/4 Section Line: 330
Feet From: EAST 1/4 Section Line: 1000

Depth of Deviation: 5500
Radius of Turn: 740
Direction: 360
Total Length: 4500

Measured Total Depth: 11331

True Vertical Depth: 6728

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category Description

DEEP SURFACE CASING 7/8/2013 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF

ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY

CONDUCTOR OR SURFACE CASING

MEMO 7/8/2013 - G71 - SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER.

20 MIL LINED GEOMEMBRANE TRENCH PIT FOR SOIL FARMING

PENDING CD - 201303470 7/10/2013 - G30 - 31-1N-22ECM

X611630 DGLS, LGKC, MRMN SHL NCT 150 FSL, NCT 660 FEL

COMP. INT. NCT 330 FSL, NCT 330 FNL, NCT 660 FEL

NO OP. NAMED

REC 6/18/13 (MCKEOWN)

SPACING - 611630 7/10/2013 - G30 - (640 HOR) 31-1N-22ECM

EXT 604867 DGLS, LGKC, MRMN

POE TO BHL: NLT 660' FB