

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

API NUMBER: 007 25628

Approval Date: 07/25/2013  
Expiration Date: 01/25/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 1N Rge: 21ECM County: BEAVER

SPOT LOCATION:  SE  SW  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 250 700

Lease Name: SAGER Well No: 1-10H Well will be 250 feet from nearest unit or lease boundary.

Operator Name: CABOT OIL & GAS CORPORATION Telephone: 2818482620 OTC/OCC Number: 18246 0

CABOT OIL & GAS CORPORATION  
840 GESSNER RD STE 1200  
HOUSTON, TX 77024-4142

DELBERT & BETTY SAGER FAMILY REVOCABLE TRUST  
RT 1 BOX 39  
BALCO OK 73931

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

Name	Depth	Name	Depth
1 MARMATON	6424	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 612515

Location Exception Orders: 613737

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 11300

Ground Elevation: 2914

**Surface Casing: 1700**

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: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 60000 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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-22743

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 10 Twp 1N Rge 21E County BEAVER

Spot Location of End Point: E2 NW NE NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 800

Depth of Deviation: 5800

Radius of Turn: 706

Direction: 360

Total Length: 4329

Measured Total Depth: 11300

True Vertical Depth: 6506

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

Notes:

Category	Description
DEEP SURFACE CASING	7/24/2013 - 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
LOCATION EXCEPTION - 613737	7/25/2013 - G30 - (I.O.) 10-1N-21ECM X612515 MRMN COMP. INT. NCT 330 FSL, NCT 330 FNL, NCT 660 FEL CABOT OIL & GAS CORPORATION 7/12/13
SPACING - 612515	7/25/2013 - G30 - (640 HOR) 10-1N-21ECM EXT 607104 MRMN POE TO BHL: NLT 660' FB (SUPERSEDE SP. 89591 MRMN)

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.