

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

API NUMBER: 117 23558

Approval Date: 09/10/2013  
Expiration Date: 03/10/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 22N Rge: 3E

County: PAWNEE

SPOT LOCATION:  SW  SE  SE  SE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 235 2301

Lease Name: NIX

Well No: 12-3H

Well will be 235 feet from nearest unit or lease boundary.

Operator Name: HIGHMOUNT OPERATING LLC

Telephone: 4057495263; 4057495

OTC/OCC Number: 22912 0

HIGHMOUNT OPERATING LLC  
14000 QUAIL SPRINGS PKWY FL 600  
OKLAHOMA CITY, OK 73134-2616

ROGER B. NIX AND GLINDA NIX  
340784 E. HWY. 15  
MORRISON OK 73061

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	3853	6
2			7
3			8
4			9
5			10

Spacing Orders: 600151

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201304501  
201304500

Special Orders:

Total Depth: 8900

Ground Elevation: 987

**Surface Casing: 460**

Depth to base of Treatable Water-Bearing FM: 260

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 12 Twp 22N Rge 3E County PAWNEE

Spot Location of End Point: NW NW NE NE

Feet From: SOUTH 1/4 Section Line: 2469

Feet From: WEST 1/4 Section Line: 1629

Depth of Deviation: 3149

Radius of Turn: 1225

Direction: 360

Total Length: 4302

Measured Total Depth: 8900

True Vertical Depth: 3925

End Point Location from Lease,  
Unit, or Property Line: 171

Notes:

Category	Description
PENDING CD - 201304500	7/18/2013 - G30 - (E.O.) 12-22N-3E X600151 MSSP 1 WELL NO OP. NAMED REC 8/13/13 (CANDLER)
PENDING CD - 201304501	7/18/2013 - G30 - (E.O.) 12-22N-3E X600151 MSSP XOTHERS COMP. INT. NCT 660 FSL, NCT 660 FNL, NCT 990 FEL NO OP. NAMED REC 9/9/13 (M.PORTER)
SPACING - 600151	7/18/2013 - G30 - (80/640HOR) 12-22N-3E DEL 176104 MSSLM (640 HOR) EST MSSP, OTHER (80) EXT OTHERS (80) EST OTHERS POE TO BHL: NCT 660' FB (SUPERCEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)