

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

API NUMBER: 007 25646

Approval Date: 11/01/2013
Expiration Date: 05/01/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 1N Rge: 22ECM County: BEAVER

SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 225 900

Lease Name: SAGER Well No: 1-8H Well will be 225 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

LARRY & MARY ELLEN SAGER
RT 2, BOX 31
BEAVER OK 73932

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

Name	Depth	Name	Depth
1 MARMATON	6516	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201307114
201307112

Special Orders:

Total Depth: 11266 Ground Elevation: 2891 Surface Casing: 1995 Depth to base of Treatable Water-Bearing FM: 470

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? 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.

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

PERMIT NO: 13-24757

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.

HORIZONTAL HOLE 1

Sec 08 Twp 1N Rge 22E County BEAVER

Spot Location of End Point: W2 NE NW NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 900

Depth of Deviation: 5500

Radius of Turn: 740

Direction: 360

Total Length: 4500

Measured Total Depth: 11266

True Vertical Depth: 6597

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

Notes:

Category	Description
DEEP SURFACE CASING	10/31/2013 - 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	10/31/2013 - G71 - SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER, 20 MIL LINED GEOMEMBRANE TRENCH PIT FOR SOIL FARMING
PENDING CD - 201307112	10/31/2013 - G30 - (640 HOR) 8-1N-22ECM VAC 73971 MRMN EST MRMN REC 11/1/13 (MCKEOWN)
PENDING CD - 201307114	10/31/2013 - G30 - 8-1N-22ECM X201307112 MRMN SHL NCT 100 FNL, NCT 100 FWL 17-1N-22ECM COMP. INT. NCT 165 FSL, NCT 165 FNL, NCT 660 FWL 8-1N-22ECM NO OP. NAMED REC 11/1/13 (MCKEOWN)

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