

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

API NUMBER: 007 25650

Approval Date: 12/03/2013
Expiration Date: 06/03/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 1N Rge: 21ECM County: BEAVER

SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 250 940

Lease Name: PENCE Well No: 1H-2 Well will be 250 feet from nearest unit or lease boundary.

Operator Name: CHAPARRAL ENERGY LLC Telephone: 4054264481 OTC/OCC Number: 16896 0

CHAPARRAL ENERGY LLC
701 CEDAR LAKE BLVD
OKLAHOMA CITY, OK 73114-7800

BARBARA L. PENCE
PO BOX 161
WINCHESTER KS 66097

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

Name	Depth	Name	Depth
1 MARMATON	6393	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 611634

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201302568

Special Orders:

Total Depth: 11200

Ground Elevation: 2899

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 450

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

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: 50000 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 02 Twp 1N Rge 21E County BEAVER

Spot Location of End Point: NE NW NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 750

Depth of Deviation: 6393

Radius of Turn: 715

Direction: 360

Total Length: 4688

Measured Total Depth: 11200

True Vertical Depth: 7108

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
DEEP SURFACE CASING	12/3/2013 - 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
PENDING CD - 201302568	12/3/2013 - G30 - 2-1N-21ECM X611634 MRMN COMP. INT. NCT 165 FSL, NCT 165 FNL, NCT 500 FEL CHAPARRAL ENERGY, L.L.C. REC 11/18/13 (DECKER)
SPACING - 611634	12/3/2013 - G30 - (640 HOR) 2-1N-21ECM EXT 604874 MRMN POE TO BHL NLT 660' FB (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)

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