

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

API NUMBER: 083 24288

Approval Date: 04/04/2014
Expiration Date: 10/04/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 17N Rge: 4W

County: LOGAN

SPOT LOCATION: NW NW NE NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 260 1255

Lease Name: VADDER

Well No: 2-11-2H

Well will be 260 feet from nearest unit or lease boundary.

Operator Name: STEPHENS PRODUCTION CO

Telephone: 4797834191

OTC/OCC Number: 23030 0

STEPHENS PRODUCTION CO
PO BOX 2407
FORT SMITH, AR 72902-2407

CHARLES W. ALDRIDGE
2351 NW 206TH
EDMOND OK 73012

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

| Name | Depth | Name | Depth |
|------|---------------|------|-------|
| 1 | MISSISSIPPIAN | 5850 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 614130

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201402079
201402078

Special Orders:

Total Depth: 11000

Ground Elevation: 1139

Surface Casing: 510

Depth to base of Treatable Water-Bearing FM: 460

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: 1B

Liner required for Category: 1B

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 17N Rge 4W County LOGAN

Spot Location of End Point: N2 N2 NE NE

Feet From: NORTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 5300

Radius of Turn: 700

Direction: 359

Total Length: 4800

Measured Total Depth: 11000

True Vertical Depth: 5950

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

| Category | Description |
|------------------------|---|
| PENDING CD - 201402078 | 4/4/2014 - G30 - (E.O.) 2-17N-4W X614130 MSSP 2 WELLS NO OP. NAMED REC 3/31/14 (DECKER) |
| PENDING CD - 201402079 | 4/4/2014 - G30 - (E.O.) 2-17N-4W X614130 MSSP COMP. INT. NCT 150 FNL/FSL, NCT 660 FEL NO OP. NAMED REC 3/31/14 (DECKER) |
| SPACING - 614130 | 4/4/2014 - G30 - (640 HOR) 2-17N-4W DEL 290049 MSSLM, OTHER (SW4) DEL 424464 MSSP, OTHER (NE4) EXT 608950 MSSP, OTHERS POE TO BHL NCT 660' FB |