

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

API NUMBER: 007 25683

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 1N Rge: 22ECM County: BEAVER

SPOT LOCATION:  SW  SE  SW  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 165 710

Lease Name: NAYLOR Well No: 1-16H Well will be 165 feet from nearest unit or lease boundary.

Operator Name: UNIT PETROLEUM COMPANY Telephone: 9184937700; 9184937 OTC/OCC Number: 16711 0

UNIT PETROLEUM COMPANY  
PO BOX 702500  
TULSA, OK 74170-2500

BRADEN & MARIA NAYLOR  
RR 1, BOX 71  
BALKO OK 73931-

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

Name	Depth	Name	Depth
1 MARMATON	6566	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 606167

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201402803

Special Orders:

Total Depth: 11407

Ground Elevation: 2863

**Surface Casing: 450**

Depth to base of Treatable Water-Bearing FM: 380

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: 20000 Average: 6000

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: 14-27441

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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 16 Twp 1N Rge 22E County BEAVER

Spot Location of End Point: NW NE NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 710

Depth of Deviation: 5500

Radius of Turn: 740

Direction: 360

Total Length: 4500

Measured Total Depth: 11407

True Vertical Depth: 6628

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

Notes:

Category	Description
PENDING CD - 201402803	6/5/2014 - G72 - 16-01N-22ECM X606167 MRMN SHL NCT 50 FSL NCT 100 FWL; COMP INT. NCT 165 FSL NCT 165 FNL NCT 660 FWL; NO OPER NAMED; REC 5/13/2014 (MCKEOWN)
SPACING - 606167	6/5/2014 - G72 - (640 HORZ) 16-01N-22ECM EXT 597516 DGLS, LGKC, MRMN COEXIST/SUPERSEDE PRODUCING/NONPRODUCING UNITS- 70370 & 146513 MRMN, LNSG, DGLS;

This permit does not address the right of entry or settlement of surface damages.  
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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.