

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

API NUMBER: 007 25685

Approval Date: 06/24/2014  
Expiration Date: 12/24/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 2N Rge: 21ECM County: BEAVER

SPOT LOCATION:  NW  NE  NE  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 200 2300

Lease Name: SARGENT Well No: 1-18H Well will be 200 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

ROY SARGENT C/O JUDY MOUNTS  
RT 1, BOX 67  
BALCO OK 73931-

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

| Name       | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 MARMATON | 6075  | 6    |       |
| 2          |       | 7    |       |
| 3          |       | 8    |       |
| 4          |       | 9    |       |
| 5          |       | 10   |       |

Spacing Orders: 201404015

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201404018

Special Orders:

Total Depth: 11085

Ground Elevation: 2828

**Surface Casing: 1995**

Depth to base of Treatable Water-Bearing FM: 400

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-27403  
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 18 Twp 2N Rge 21E County BEAVER

Spot Location of End Point: NW NE NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 2300

Depth of Deviation: 5500

Radius of Turn: 740

Direction: 360

Total Length: 4500

Measured Total Depth: 11085

True Vertical Depth: 6116

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

Notes:

| Category               | Description   |
|------------------------|---|
| DEEP SURFACE CASING    | 6/16/2014 - 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 - 201404015 | 6/23/2014 - G72 - (640 HORZ) 18-2N-21ECM (E.O.)<br>EXT 615543 MRMN, OTHERS;<br>REC 6/16/2014 (MCKEOWN)  |
| PENDING CD - 201404018 | 6/23/2014 - G72 - 18-02N-21ECM (E.O.)<br>X 201404015 MRMN;<br>SHL NCT 50 FNL NCT 660 FWL 19-2N-21ECM;<br>COMP INT. NCT 165 FSL NCT 165 FNL NCT 660 FWL;<br>UNIT PETROLEUM COMPANY;<br>REC 6/16/2014 (MCKEOWN) |

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