

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

API NUMBER: 007 25698

Approval Date: 09/17/2014  
Expiration Date: 03/17/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 1N Rge: 21ECM County: BEAVER

SPOT LOCATION:  SW  NE  NW  NW FEET FROM QUARTER: FROM NORTH FROM WEST  
SECTION LINES: 350 760

Lease Name: TREGELLAS TRUST Well No: 1-8H Well will be 350 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

JACK & WILLIE TREGELLAS REV TRUST  
P.O. BOX 701  
PERRYTON TX 79070

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

Name	Depth	Name	Depth
1 MARMATON	6310	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201406607  
201406606

Special Orders:

Total Depth: 11483

Ground Elevation: 2911

Surface Casing: 1995

Depth to base of Treatable Water-Bearing FM: 540

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: 14-28375  
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 08 Twp 1N Rge 21E 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: 760

Depth of Deviation: 5500

Radius of Turn: 740

Direction: 360

Total Length: 4500

Measured Total Depth: 11483

True Vertical Depth: 6363

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

Notes:

Category	Description
DEEP SURFACE CASING	9/11/2014 - G76 - 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 - 201406606	9/16/2014 - G72 - (640 HORZ) 08-01N-21ECM (E.O.) EXT 615678 MRMN, POE TO BHL NCT 330' FB; (EXIST CONCURRENTLY WITH ANY NON-HORIZONTAL UNIT & MAY BE CONCURRENTLY DEVELOPED) REC 9/12/2014 (MCKEOWN)
PENDING CD - 201406607	9/16/2014 - G72 - 08-01N-21ECM (E.O.) X 201406606 MRMN; SHL NCT 100 NCT 100 FWL 12-1N-21ECM; COMP INT. NCT 165 FSL NCT 165 FNL NCT 660 FWL; NO OPER NAMED; 9/12/2014 (MCKEOWON)

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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.