

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

API NUMBER: 119 24285

Approval Date: 10/08/2014
Expiration Date: 04/08/2015

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 19N Rge: 2E

County: PAYNE

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 300 330

Lease Name: KATHLINE

Well No: 1

Well will be 300 feet from nearest unit or lease boundary.

Operator Name: HERITAGE PETROLEUM INC

Telephone: 4053772689

OTC/OCC Number: 19097 0

HERITAGE PETROLEUM INC
PO BOX 935
STILLWATER, OK 74076-0935

ELFREDA ESTELLE TRUMBLA
4443 STRADFORD PLACE
SAN ANTONIO TX 78217

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

Name	Depth	Name	Depth
1 OSAGE LAYTON /MISSOURIAN/	3070	6 SIMPSON	4720
2 CHECKERBOARD	3650	7	
3 PRUE	4070	8	
4 SKINNER	4180	9	
5 RED FORK	4400	10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5117

Ground Elevation: 880

Surface Casing: 240

Depth to base of Treatable Water-Bearing FM: 160

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 5100 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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

DIRECTIONAL HOLE 1

Sec 18 Twp 19N Rge 2E County PAYNE

Spot Location of End Point: C W2 NW SE

Feet From: SOUTH 1/4 Section Line: 1980

Feet From: WEST 1/4 Section Line: 330

Measured Total Depth: 5117

True Vertical Depth: 4800

End Point Location from Lease,

Unit, or Property Line: 330

Notes:

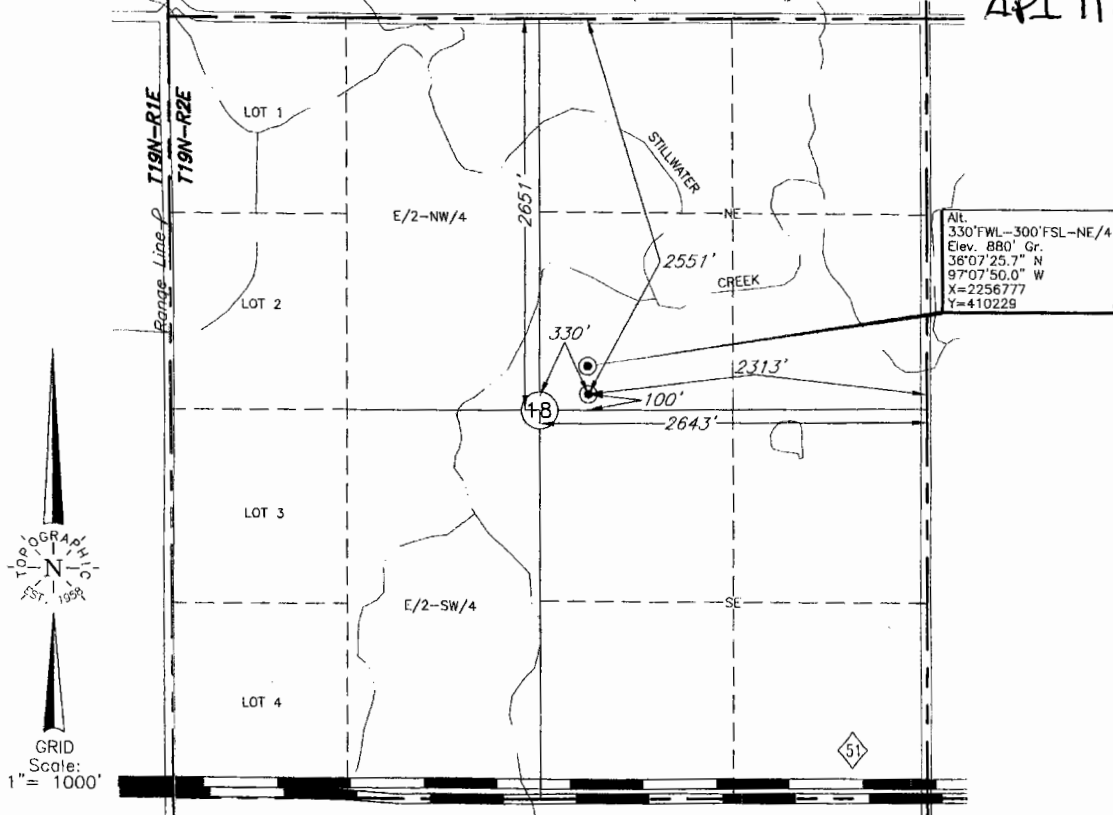
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
FRAC FOCUS	9/15/2014 - G76 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
POINT OF ENTRY	10/2/2014 - G75 - GREATER THAN 330' FROM BOUNDARIES OF NW4 SE4 PER OPERATOR
SPACING	10/2/2014 - G75 - FORMATIONS UNSPACED; 40-ACRE LEASE (NW4 SE4)
SURFACE LOCATION	10/2/2014 - G75 - 300' FSL, 330' FWL NE4 18-19N-2E PER OPERATOR

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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.

PAYNE County, Oklahoma
 330'FWL-100'FSL-NE/4 Section 18 Township 19N Range 2E I.M.

API 119-24285



This location has been very carefully staked on the ground according to the best official survey records, maps, and photographs available to us, but its accuracy is not guaranteed. Review this plat and notify us immediately of any possible discrepancy.

Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have not been measured.

Operator: HERITAGE PETROLEUM, INC.
 Lease Name: KATHLINE

Well No.: 1 **ELEVATION:** 882' Gr. at Stake

Topography & Vegetation Loc. fell in heavy brush, 100' North of subdivision fence; Alt. loc. fell in heavy brush, 300' North of fence

Good Drill Site? Fair; Alt. Yes Reference Stakes or Alternate Location Stakes Set Alt. 330'FWL-300'FSL-NE/4; Elev. 880' Gr.

Best Accessibility to Location From East on trail
 Distance & Direction From Jct. St. Hwy. 51 and US Hwy. 177 in Stillwater, OK, go 4.0 mi. West to the SE Cor. of Sec. 18-T19N-R2E

(The following information was gathered using a GPS receiver Accuracy ±2-3 Meters.)

GPS
 DATUM: NAD-27
 LAT: 36°07'23.8\"N
 LONG: 97°07'50.0\"W
 STATE PLANE
 COORDINATES:
 ZONE: OK NORTH
 X: 2256779
 Y: 410029

Invoice # 167683 Date of Drawing: May 02, 2011
 Date Staked: Apr. 28, 2011 AC

CERTIFICATE:

I, Virgil R. Rogers a Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Virgil R. Rogers
 Oklahoma Reg. No. 569

