

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

API NUMBER: 007 25702

Approval Date: 11/05/2014
Expiration Date: 05/05/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 3N Rge: 23ECM County: BEAVER

SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 200 875

Lease Name: KACHEL FAMILY B Well No: 1-H 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

KACHEL FAMILY, LTD C/O HAROLD KACHEL
HC 3, BOX 11
BEAVER OK 73932

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

Name	Depth	Name	Depth
1 MARMATON	6175	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 201407762

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201407764
201407763

Special Orders:

Total Depth: 16067

Ground Elevation: 2684

Surface Casing: 1995

Depth to base of Treatable Water-Bearing FM: 500

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: 5000

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: 14-28654

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 25 Twp 3N Rge 23E County BEAVER

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 875

Depth of Deviation: 5500

Radius of Turn: 740

Direction: 360

Total Length: 9700

Measured Total Depth: 16067

True Vertical Depth: 6260

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

Notes:

Category	Description
DEEP SURFACE CASING	10/27/2014 - 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 - 201407762	10/29/2014 - G72 - (640 HORZ) 25 & 24-03N-23ECM (E.O.) EST MRMN, POE TO BHL NLT 330' FB, **CO EXIST (41027 (OSWG) & 77078 & 256085 (MRMN)) WITH ANY NON-HORIZONTAL DRILLING AND SPACING UNIT AND EACH SUCH UNIT MAY BE CONCURRENTLY DEVELOPED. **THE FINAL ORDER WILL SHOW THE OSWG SPACING ORDER PER ATTORNEY. REC 11/3/2014 ((JOHNSON)
PENDING CD - 201407763	10/29/2014 - G72 - (MULTI) 25 & 24-03N-23ECM (E.O.) EST TARGETED RESERVOIR FOR THE MRMN, X 201407762 MRMN 50%/50%, NO OPER NAMED, REC 11/3/2014 (JOHNSON)
PENDING CD - 201407764	10/29/2014 - G72 - 25 & 24-03N-23ECM (E.O.) X 201407762 MRMN, SHL NCT 100 FNL NCT 100 FWL 24-3N-23ECM, COMP INT. SEC 24 NCT 165 FNL NCT 0 FSL NCT 660 FWL, COMP INT. SEC 25 NCT 0 FNL NCT 165 FSL NCT 660 FWL, NO OPER NAMED, REC 11/3/2014 (JOHNSON)

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**Application for
 Intent to Drill**

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Pending CD Numbers: 201407764 *HRG-11/3/2014* Special Orders: _____
 201407763 " " " "

Total Depth: 16067 Ground Elevation: 2684 Surface Casing: 1995 Depth to base of Treatable Water-Bearing FM: 500
DSC APPROVED

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: Yes Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28654
- H. Steel container for soil farming

*Pit
 water based closed 20000 - 5000 Chlorides*

*closed system = steel pits per
 operator request.*

**TEMPORARY AUTHORIZATION
 TO DRILL**
 Expiration Date: *11/6/2014*
 Signature: *Virginia Hallinger*
 165:10-3-1-1

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000 00000 KACHEL FAMILY B 1-H