

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

API NUMBER: 129 24037

Approval Date: 01/05/2015
Expiration Date: 07/05/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 17N Rge: 25W

County: ROGER MILLS

SPOT LOCATION: S2 S2 SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 250 660

Lease Name: CATHERINE

Well No: 3H-23

Well will be 250 feet from nearest unit or lease boundary.

Operator Name: LE NORMAN OPERATING LLC

Telephone: 4055481200

OTC/OCC Number: 22738 0

LE NORMAN OPERATING LLC
4700 GAILLARDIA PKWY STE 200
OKLAHOMA CITY, OK 73142-1839

TWO D RANCH LLC
14200 GAILLARDIA PARKWAY
OKLAHOMA CITY OK 73142

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

| Name | Depth | Name | Depth |
|-------------|-------|------|-------|
| 1 CLEVELAND | 9800 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 606800

Location Exception Orders: 631684

Increased Density Orders: 631513

Pending CD Numbers:

Special Orders:

Total Depth: 15050

Ground Elevation: 2238

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 370

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: 35000 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 23 Twp 17N Rge 25W County ROGER MILLS

Spot Location of End Point: N2 N2 NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 9220

Radius of Turn: 580

Direction: 360

Total Length: 4919

Measured Total Depth: 15050

True Vertical Depth: 9800

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

Notes:

| Category | Description |
|-----------------------------|---|
| DEEP SURFACE CASING | 10/31/2014 - 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 |
| INCREASED DENSITY - 631513 | 1/5/2015 - G76 - 23-17N-25W X606800 CLVD 1 WELL LE NORMAN OPERATING, LLC 10/6/2014 |
| LOCATION EXCEPTION - 631684 | 1/5/2015 - G76 - (I.O.) 23-17N-25W X606800 CLVD SHL 250 FSL 660 FWL COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 560 FWL LE NORMAN OPERATING, LLC 10/9/2014 |
| SPACING - 606800 | 1/5/2015 - G76 - (640)(HOR) 23-17N-25W EST CLVD, OTHERS POE TO BHL NLT 660' FB (SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS) |

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.