

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

API NUMBER: 117 23641

Approval Date: 03/16/2015
Expiration Date: 09/16/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 26 Twp: 20N Rge: 8E County: PAWNEE
SPOT LOCATION: SE SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 215 2590

Lease Name: JAGUAR Well No: 2-26H Well will be 215 feet from nearest unit or lease boundary.
Operator Name: U S ENERGY DEVELOPMENT CORPORATION Telephone: 7166360401 OTC/OCC Number: 23402 0

U S ENERGY DEVELOPMENT CORPORATION
2350 N FOREST RD
GETZVILLE, NY 14068-1296

RANDY & LEANN BAILEY
369999 OLD TERLTON ROAD
TERLTON OK 74081

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

Name	Depth	Name	Depth
1 MISSISSIPPI	2725	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 621427

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201500241
201500906

Special Orders:

Total Depth: 7710

Ground Elevation: 804

Surface Casing: 560

Depth to base of Treatable Water-Bearing FM: 460

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: 5000 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: VAMOOSA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 26 Twp 20N Rge 8E County PAWNEE

Spot Location of End Point: NE NE NE NW

Feet From: SOUTH 1/4 Section Line: 2435

Feet From: WEST 1/4 Section Line: 2600

Depth of Deviation: 2230

Radius of Turn: 600

Direction: 360

Total Length: 4537

Measured Total Depth: 7710

True Vertical Depth: 2830

End Point Location from Lease,
Unit, or Property Line: 205

Notes:

Category	Description
BOTTOM HOLE LOCATION	3/6/2015 - G76 - 2435' FSL, 2600' FWL PER OPERATOR
PENDING CD - 201500241	3/3/2015 - G76 - 26-20N-8E X621427 MISS 2 WELLS NO OP. NAMED REC. 2/9/2015 (P. PORTER)
PENDING CD - 201500906	3/16/2015 - G76 - (I.O.) 26-20N-8E X621427 MISS SHL NCT 200 FSL, NCT 2000 FWL 1ST PERF NCT 200 FSL, NCT 2000 FWL LAST PERF NCT 200 FNL, NCT 2000 FWL BHL NCT 200 FNL, NCT 2000 FWL US ENERGY DEV. CORP. REC. 3/13/2015 (NORRIS)
SPACING - 621427	3/3/2015 - G76 - (640/40) 26-20N-8E (40) EST OTHERS (640) EST MISS, OTHER
SURFACE LOCATION	3/6/2015 - G76 - 215' FSL, 2590' FWL PER OPERATOR

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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.

