

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

API NUMBER: 047 25022

Approval Date: 03/26/2015

Expiration Date: 09/26/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 21N Rge: 8W

County: GARFIELD

SPOT LOCATION: ☐ SW ☐ SW ☐ SE ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 220 1340

Lease Name: ROAD RUNNER

Well No: 3-20H

Well will be 220 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

JEWELL HAYES
2622 JENNY LANE
ENID OK 73703

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

	Name	Depth	Name	Depth
1	MISSISSIPPI	7040	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: 62980

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201501220
201501221

Special Orders:

Total Depth: 12030

Ground Elevation: 1209

Surface Casing: 390

Depth to base of Treatable Water-Bearing FM: 340

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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: CEDAR HILLS

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 15-29679

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 20 Twp 21N Rge 8W County GARFIELD

Spot Location of End Point: NE NE NW NW

Feet From: SOUTH 1/4 Section Line: 2433

Feet From: WEST 1/4 Section Line: 1000

Depth of Deviation: 6550

Radius of Turn: 600

Direction: 355

Total Length: 4537

Measured Total Depth: 12030

True Vertical Depth: 7150

End Point Location from Lease,
Unit, or Property Line: 207

Notes:

Category	Description
PENDING CD - 201501220	3/26/2015 - G76 - 20-21N-8W X62980 MISS 2 WELLS NO OP. NAMED REC. 3/25/2015 (THOMAS)
PENDING CD - 201501221	3/26/2015 - G76 - (I.O.) 20-21N-8W X62980 MISS SHL NCT 200 FSL, NCT 660 FWL 1ST PERF NCT 200 FSL, NCT 660 FWL LAST PERF NCT 200 FNL, NCT 660 FWL BHL NCT 200 FNL, NCT 660 FWL NO OP. NAMED REC. 3/25/2015 (THOMAS)
PUBLIC WATER SUPPLY	3/11/2015 - G64 - 4 PWS WELLS - DRUMMOND #11, NW/4 20-T21N-R8W; DRUMMOND #19, NE/4 30-T21N-R8W; DRUMMOND #9, SE/4 19-T21N-R8W; DRUMMOND #10 NE/4 19-T21N-R8W
SPACING - 62980	3/13/2015 - G76 - (640) 20-21N-8W VAC 53277 MSSP EXT 60948 MISS

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047 25022 ROAD RUNNER 3-20H