API NUMBER: 047 25024

Oil & Gas

Horizontal Hole

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

Approval Date: 03/30/2015

Expiration Date: 09/30/2015

PERMIT TO DRILL

WELL LOCATION:	Sec:	27 Tw	p: 21N	Rge: 8W	County:	GARI	FIELD		
SPOT LOCATION:	SW	SW	SE	SE	FEET FROM QUARTER:	FROM	SOUTH	FROM	WEST
					SECTION LINES:		200		1631
Lease Name: RACCOON					Well	l No:	3-27H		

Well will be 200 feet from nearest unit or lease boundary.

Operator U S ENERGY DEVELOPMENT CORPORATION Telephone: 7166360401 OTC/OCC Number: 23402 0 Name:

U S ENERGY DEVELOPMENT CORPORATION 2350 N FOREST RD

GETZVILLE, NY 14068-1296

CHARLES & CLAUDENE VAUGHAN

P.O. BOX 146

DRUMMOND OK 73735

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

Name Depth Name Depth	n
1 MISS SAND 7120 6	
2 7	
3	
4 9	
5 10	
Spacing Orders: 62980 Location Exception Orders: Increased Density Orders:	

Pending CD Numbers: 201501089 Special Orders:

201501090

Total Depth: 12480 Ground Elevation: 1211 Surface Casing: 530 Depth to base of Treatable Water-Bearing FM: 480

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? $\quad \mbox{Y}$

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: BISON

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 15-29682

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

HORIZONTAL HOLE 1

Sec 27 Twp 21N Rge 8W County GARFIELD

Spot Location of End Point: NW NW NE NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: WEST 1/4 Section Line: 1627

Depth of Deviation: 6700 Radius of Turn: 600 Direction: 359 Total Length: 4837

Measured Total Depth: 12480

True Vertical Depth: 7300

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category Description

PENDING CD - 201501089 3/24/2015 - G75 - (I.O.) 27-21N-8W

X62980 MSSND

SHL NCT 200 FSL, NCT 660 FEL

COMPL. INT. NCT 200 FSL, NCT 200 FNL, NCT 660 FEL

BHL NCT 200 FNL, NCT 660 FEL

NO OP. NAMED

REC 3-30-2015 (THOMAS)

PENDING CD - 201501090 3/24/2015 - G75 - 27-21N-8W

X62980 MSSND 2 WELLS

NO OP. NAMED REC 3-30-2015 (THOMAS)

SPACING - 62980 3/23/2015 - G75 - (640) 27-21N-8W

VAC 53277 MSSLM EXT 60948 MSSND

GARFIELD County, Oklahoma

21N Range 8W I.M. 200'FSL-1000'FEL__Section __ __ Township X 1990369 Y 464039 464049 X 1987743 Y 464044 -1000 Bottom Hole 200'FNL-1000'FEL NAD-27 (US Feet) 36'16'27.3"N 98'02'09.8"W 36.274246686'N 98.036065112'W X= 1989369 Y= 463841 PATH 2432 OGR402 DRILL %_N_~ PROPOSED 100 X 1985112 Y 461420 199037 X 1990371 Y 461407 GRID NAD--27 Okla. North US Feet Scale: 1"= 1000' 2434' X 1985112 1990374 X 198774 Y 458777 1631 1000 458780 200 η Bottom Hole and Drill Path information NOTE: The information shown herein is for construction purposes <u>ONLY.</u> provided by operator listed, NOT Surveyed. Operator: US ENERGY DEVELOPMENT CORP. **ELEVATION:** Lease Name: __RACCOON Well No.: 3-27H 1211' Gr. at Stake Topography & Vegetation Loc. fell in rolling wheat field Reference Stakes or Alternate Location Good Drill Site? ___ Stakes Set _ From South off county road Best Accessibility to Location ____ Distance & Direction from Hwy Jct or Town From Drummond, Ok, go ±3 miles South on St. Hwy. 132 to the SE Cor. of Sec. 27-T21N-R8W TESS I ONAL Feb. 24, 2015 Date of Drawing: _ DATUM: NAD-27

BE BE LONG: 98'02'09 8"W LC Invoice # 240565 Date Staked: Feb. 19, 2015 LONG: 98'02'09.8"W **CERTIFICATE:** s information v d with a GPS foot Horiz./Vert. SURVE LAT: 36.260881509° N LEE K. SENSE! Lee K. Goss ___an Oklahoma Licensed Land **GOSS** LONG: 98.036045706' W Surveyor and an authorized agent of Topographic Land 1778 STATE PLANE Surveyors of Oklahoma, do hereby certify to the COORDINATES: (US Feet) 20 KLAHOWA information shown herein. ZONE: OK NORTH X: <u>1989373</u> 458976 Oklahoma Lic. No. _