

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

API NUMBER: 153 23583

Approval Date: 07/29/2016
Expiration Date: 01/29/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 21N Rge: 17W County: WOODWARD
SPOT LOCATION: NE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 465 760

Lease Name: PLUMMER 2117 Well No: 1H-24 Well will be 465 feet from nearest unit or lease boundary.

Operator Name: RED MOUNTAIN OPERATING LLC Telephone: 4058424500 OTC/OCC Number: 23694 0

RED MOUNTAIN OPERATING LLC
6832 N ROBINSON AVE
OKLAHOMA CITY, OK 73116-9039

JACKIE L AND CYNTHIA L PLUMMER
823 WEST MAIN STREET
WOODWARD OK 73801

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

| Name | Depth | Name | Depth |
|------------------------|-------|------|-------|
| 1 MISS'AN (EX CHESTER) | 9350 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201602941
201602942

Special Orders:

Total Depth: 13500 Ground Elevation: 1876 **Surface Casing: 1490** Depth to base of Treatable Water-Bearing FM: 610

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

PIT 1 INFORMATION

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? 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31462
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 24 Twp 21N Rge 17W County WOODWARD

Spot Location of End Point: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 760

Depth of Deviation: 8900

Radius of Turn: 400

Direction: 180

Total Length: 3972

Measured Total Depth: 13500

True Vertical Depth: 9600

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

Notes:

| Category | Description |
|------------------------|---|
| DEEP SURFACE CASING | 7/28/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING |
| HYDRAULIC FRACTURING | 7/28/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE. |
| PENDING CD - 201602941 | 7/29/2016 - G60 - (E.O.)(640)(HOR) 24-21-17W EST MSNLC COMPL. INT. NCT 660' FB (COEXIST WITH SP. ORDER 426300 MSSSD) REC. 7-26-16 (LEAVITT) |
| PENDING CD - 201602942 | 7/29/2016 - G60 - (E.O.) 24-21N-7W X201602941 MSNLC COMPL. INT. NCT 165' FNL, NCT 165' FWL, NCT 660' FEL RED MOUNTAIN ENERGY, LLC. REC. 7-26-16 (LEAVITT) |

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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.

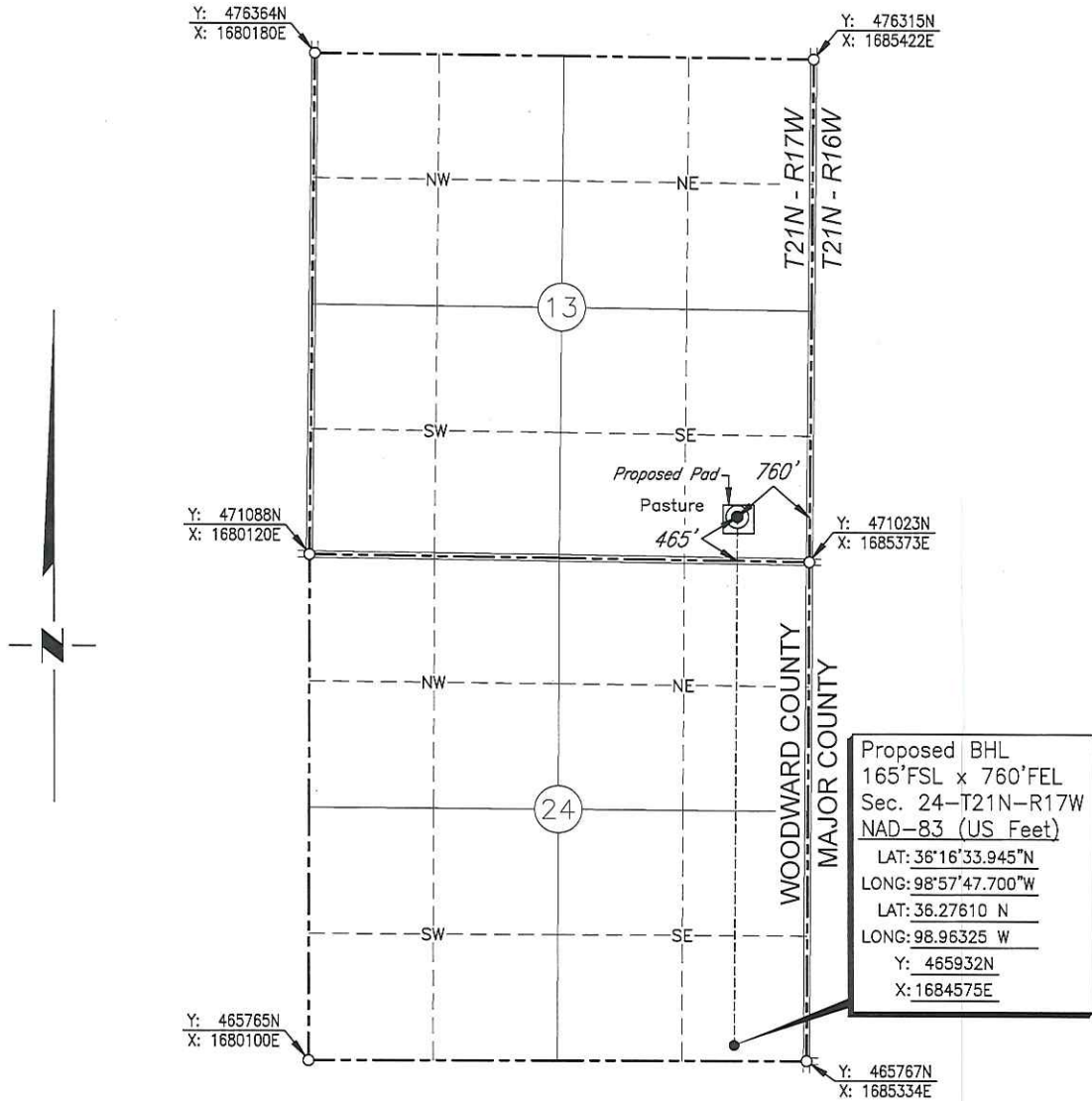


CIMARRON
SURVEYING & MAPPING CO.

C.A. No. 1780 Expires JUNE 30, 2018

Oklahoma City, OK
(405) 692-7348
CIMSURVEY.COM

WOODWARD County, Oklahoma
465'FSL - 760'FEL Section 13 Township 21N Range 17W I.M.



Scale: 1" = 2000'

Date Staked: July 7, 2016

GPS Observation: Latitude 36°17'28.986" N
Longitude 98°57'47.862" W
Latitude 36.29138 N
Longitude 98.96330 W

State Plane NAD83 Y: 471497N
Oklahoma North Zone: X: 1684617E

Operator: RED MOUNTAIN OPERATING, LLC. Elevation: 1876'

Lease Name: PLUMMER 2117 Well No.: 1H-24

Topography & Vegetation: Pasture

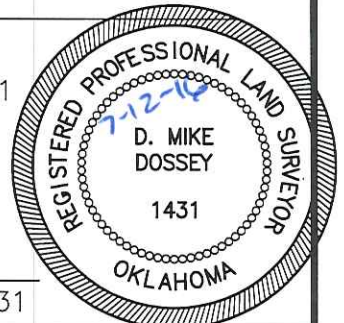
Alternate Location Stakes Set: No Good Drill Site? Yes

Best Accessibility to Location: From the South Line

Distance & Direction
from Hwy Jct or Town: From the town of Cedardale; Thence south 2 miles; Thence east 2 miles to the Southeast Corner of Section 13.

SURVEYOR'S CERTIFICATE:

I, D. MIKE DOSSEY, Registered Professional Land Surveyor, No. 1431 do hereby certify that the above described well location was carefully staked on the ground as shown and that all ties and distances shown are from existing lines of occupation.



D. Mike Dossey
D. MIKE DOSSEY R.P.L.S. # 1431

| | | | | |
|-------------------|-----|-----------|----------|--------|
| JOB NO.: 1614143A | | | | |
| DATE: 07/11/16 | 1 | MOVED BHL | 07/12/16 | T.A.W. |
| DRAWN BY: T.A.W. | NO. | REVISION | DATE | BY |