

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

API NUMBER: 051 24109

Approval Date: 02/21/2017
Expiration Date: 08/21/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 10N Rge: 6W

County: GRADY

SPOT LOCATION: SW SE SE SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 250 575

Lease Name: SKAGGS 27-10-6

Well No: 1H

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

Operator Name: LINN OPERATING INC

Telephone: 4052412237; 4052412

OTC/OCC Number: 22182 0

LINN OPERATING INC
14701 HERTZ QUAIL SPRINGS PKWY
OKLAHOMA CITY, OK 73134-2641

GERALD L. & MARY ELLEN SKAGGS, LIVING TRUST
301 W. TYLER
TUTTLE OK 73089

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

| Name | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 WOODFORD | 10300 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 648551

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201700596

Special Orders:

Total Depth: 15490

Ground Elevation: 1308

Surface Casing: 230

Depth to base of Treatable Water-Bearing FM: 110

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

B. Solidification of pit contents.

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

PERMIT NO: 17-32151

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: 3
Liner required for Category: 3
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

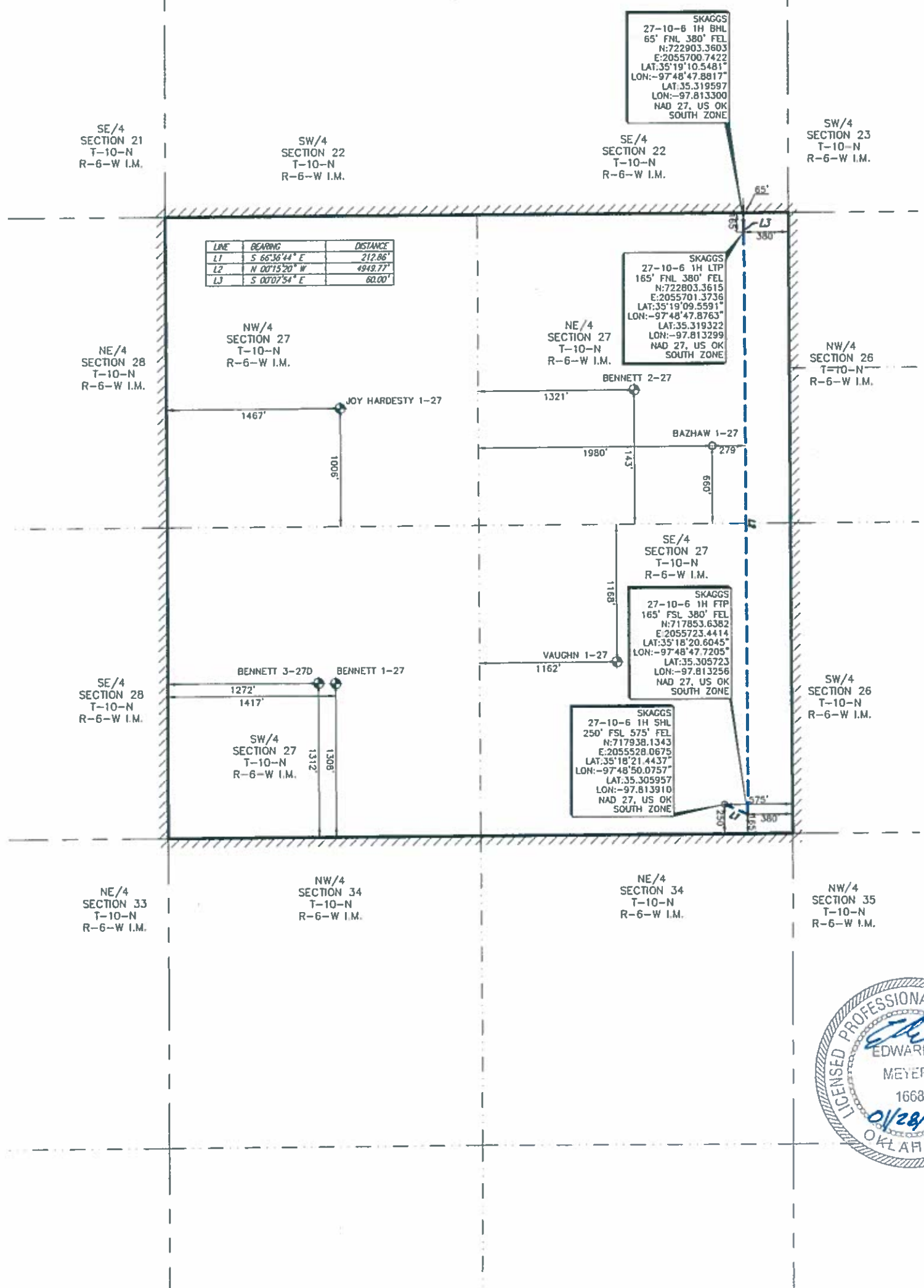
Sec 27 Twp 10N Rge 6W County GRADY
Spot Location of End Point: NW NE NE NE
Feet From: NORTH 1/4 Section Line: 65
Feet From: EAST 1/4 Section Line: 380
Depth of Deviation: 9727
Radius of Turn: 573
Direction: 2
Total Length: 4863
Measured Total Depth: 15490
True Vertical Depth: 10300
End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Table with 2 columns: Category, Description. Rows include COMPLETION INTERVAL, HYDRAULIC FRACTURING, MEMO, PENDING CD - 201700596, PUBLIC WATER SUPPLY WELL, and SPACING - 648551.

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.

API 051-24109



SKAGGS
27-10-6 1H BHL
65' FNL 380' FEL
N:722903.3603
E:2055700.7422
LAT:35°19'10.5481"
LON:-97°48'47.8817"
LAT:35.319597
LON:-97.813300
NAD 27, US OK
SOUTH ZONE

SKAGGS
27-10-6 1H LTP
165' FNL 380' FEL
N:722803.3615
E:2055701.3736
LAT:35°19'09.5591"
LON:-97°48'47.8763"
LAT:35.319322
LON:-97.813299
NAD 27, US OK
SOUTH ZONE

SKAGGS
27-10-6 1H FTP
165' FSL 380' FEL
N:717853.6382
E:2055723.4414
LAT:35°18'20.6045"
LON:-97°48'47.7205"
LAT:35.305723
LON:-97.813256
NAD 27, US OK
SOUTH ZONE

SKAGGS
27-10-6 1H SHL
250' FSL 575' FEL
N:717938.1343
E:2055528.0675
LAT:35°18'21.4437"
LON:-97°48'50.0757"
LAT:35.305957
LON:-97.813910
NAD 27, US OK
SOUTH ZONE



PERMIT PLAT OF
LINN OPERATING, INC
SKAGGS 27-10-6 1H
250' FSL 575' FEL
MINCO FIELD

SECTION 27, TOWNSHIP 10 NORTH, RANGE 6 WEST I.M.
LEASE LINES
SHL: 250' FSL & 575' FEL
GRADY COUNTY, OKLAHOMA

- NOTE:
1. COMBINED SCALE FACTOR: 0.999953993
 2. SHL IS APPROXIMATELY 1.05 MILES N 06°01'10" W OF TITTLE OKLAHOMA.

FILE: S:\OK\GRADY\PROJECTS\GRADY MAIN HAD27_OK_S_001US.dwg

LEGEND

- POINT
- EXISTING WELLHEAD
- PROPOSED WELL LOCATION SET
- SURFACE LOCATION OBTAINED FROM GOC
- OKLAHOMA CORPORATION COMMISSION
- AS-DRILLED LATERAL
- SUBJECT PROPOSED LATERAL
- PROPOSED LATERAL
- LEASE LINE
- SURVEY LINE

John F. Watson & Company
LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
288 N. J. Jackson, Ste. 228
Midland, Texas 79701
Tel: (432) 528-2400
Fax: (432) 528-2494
www.jfwatson.com

CA#5957 EXPIRATION 6-30-2017
200 N LORRAINE #220
MIDLAND, TX 79701
(432) 520-2400

ORIGINAL STAKE DATE: 01/16/17
ADDED LATERAL DATE: 01/28/17

| | | |
|--------------------|------------|------------------|
| REV: - | AFE NO.: - | JOB NO.: 15-0244 |
| FIELD BOOK: SERVER | VER: 1 | DRAWN BY: CHM |

NOTE:

1. BEARINGS, DISTANCES & ACREAGE ARE GRID, NAD 27 US OK SOUTH ZONE AND ARE OBTAINED BY NORMAL GPS TECHNIQUES.
2. ELEVATIONS ARE BASED ON NAVD 88 COMPUTED USING CDDO 12B.
3. THIS SURVEY IS FOR AN OIL & GAS SUB-SURFACE LEASE AND IS NOT A BOUNDARY SURVEY.
4. LOCATION OF ADJOINING WELLS OUTSIDE LEASE BOUNDARY ARE APPROXIMATED FROM OKLAHOMA CORPORATION COMMISSION DATA.
5. DOWNHOLE INFORMATION PROVIDED BY THE CLIENT.
6. THIS SURVEY COMPLIES WITH THE US PUBLIC LAND SURVEY SYSTEM AND MEETS THE OKLAHOMA MINIMUM STANDARDS FOR THE PRACTICE OF LAND SURVEYING AS ADOPTED BY THE OKLAHOMA STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS, EFFECTIVE JULY 23, 2013.
7. THIS IS NOT A BOUNDARY SURVEY.
8. THIS PERMIT PLAT HAS BEEN PREPARED FROM A SURVEY PLAT ON FILE IN THE OFFICE OF JOHN F. WATSON & COMPANY, MIDLAND TEXAS.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Edward H. Meyers
PROFESSIONAL LAND SURVEYOR
01/28/17