

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

API NUMBER: 051 24135

Approval Date: 04/26/2017
Expiration Date: 10/26/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 9N Rge: 5W

County: GRADY

SPOT LOCATION: NW NW NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 215 68

Lease Name: SKAGGS FARM 17-20-9-5

Well No: 1XH

Well will be 68 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

SKAGGS 3-D FARMS INC.
301 W. TYLER DR.
TUTTLE OK 73089

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	9807	6	
2 WOODFORD	10057	7	
3		8	
4		9	
5		10	

Spacing Orders: 656126
401861
654690

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201701538
201701539
201701540

Special Orders:

Total Depth: 20617

Ground Elevation: 1359

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 170

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? N

Wellhead Protection Area? N

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: 2

Liner not required for Category: 2

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

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: 17-32325

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? N
Wellhead Protection Area? N
Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: 3
Liner required for Category: 3

Pit Location is NON HSA
Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

Sec 20 Twp 9N Rge 5W County GRADY
Spot Location of End Point: SW SE SE SE
Feet From: SOUTH 1/4 Section Line: 65
Feet From: EAST 1/4 Section Line: 380
Depth of Deviation: 9527
Radius of Turn: 477
Direction: 185
Total Length: 10341
Measured Total Depth: 20617
True Vertical Depth: 10057
End Point Location from Lease,
Unit, or Property Line: 65

Notes:

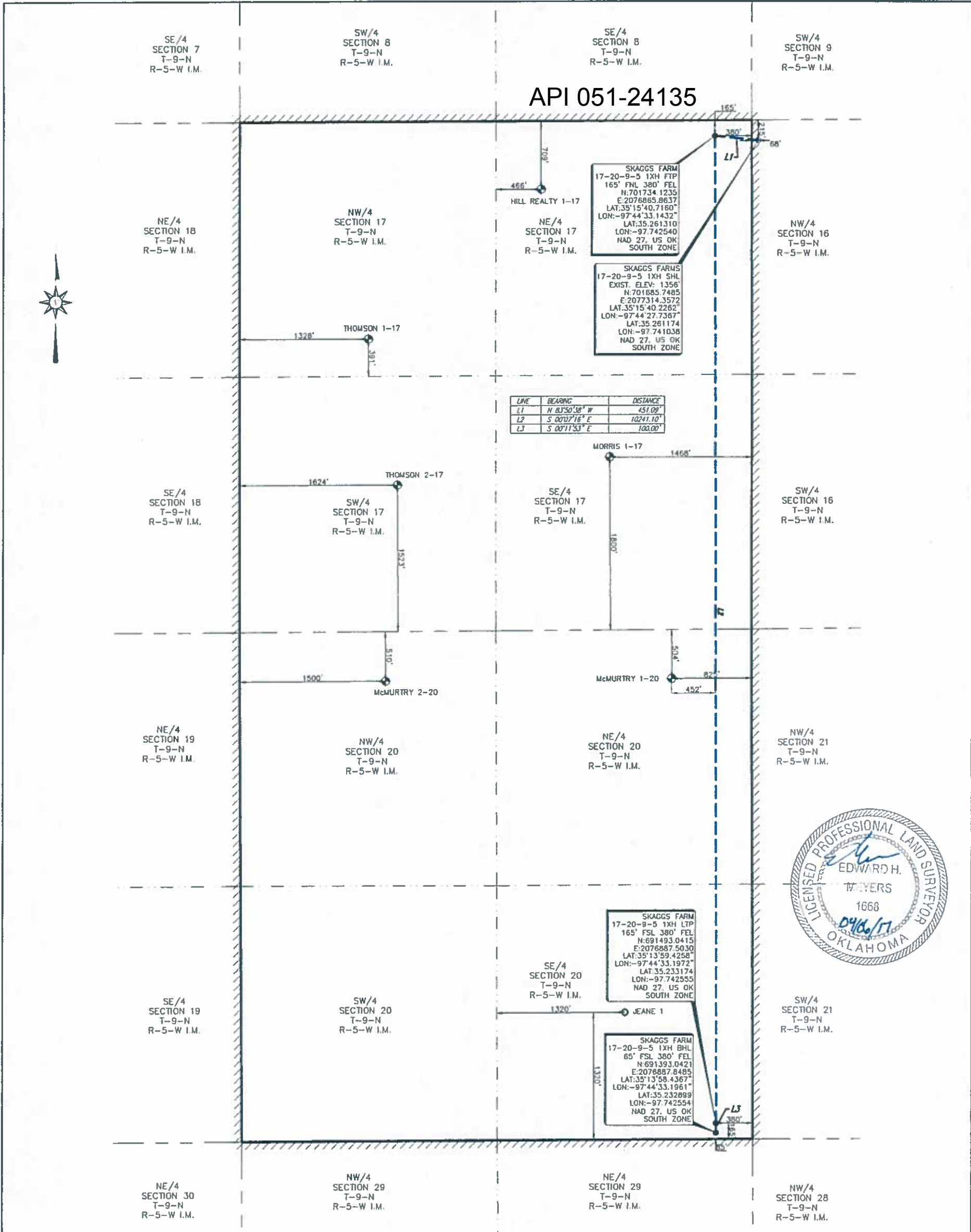
Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, HYDRAULIC FRACTURING, MEMO, and PENDING CD - 201701538.

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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.

Category	Description
PENDING CD - 201701539	4/4/2017 - G75 - (I.O.) 17 & 20-9N-5W X656126 MSSP, WDFD 17-9N-5W X401861 MSSP 20-9N-5W X654690 WDFD 20-9N-5W COMPL. INT. (17-9N-5W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL COMPL. INT. (20-9N-5W) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL NO OP. NAMED REC 4-25-2017 (NORRIS)
PENDING CD - 201701540	4/4/2017 - G75 - (I.O.) 20-9N-5W X165:10-3-28(C)(2)(B) MSSP (SKAGGS FARM 17-20-9-5 1XH) MAY BE CLOSER THAN 600' TO MCMURTRY 1-20 LINN OP., INC. REC 4-25-2017 (NORRIS)
SPACING - 401861	4/4/2017 - G75 - (640) 20-9N-5W EXT 394923 MSSP
SPACING - 654690	4/4/2017 - G75 - (640)(HOR) 20-9N-5W EST WDFD POE TO BHL NCT 165' TO NL & SL, NCT 330' TO EL & WL
SPACING - 656126	4/4/2017 - G75 - (640)(HOR) 17-9N-5W EST MSSP EXT 653276 WDFD POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST SP. ORDER # 151101 MSSLM)

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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.

API 051-24135



PERMIT PLAT OF
 LINN OPERATING, INC
SKAGGS FARM 17-20-9-5 1XH
215' FNL 68' FWL OF SECTION 16
 MINCO FIELD
 SECTIONS 17 & 20, TOWNSHIP 9 NORTH, RANGE 5 WEST I.M.
LEASE LINES
SHL: 215' FNL & 68' FEL
 GRADY COUNTY, OKLAHOMA

NOTE:
 1. COMBINED SCALE FACTOR: 0.999953993
 2. SHL IS APPROXIMATELY 4.50 MILES S 63°10'10" E OF TUTTLE OKLAHOMA.

LEGEND SHL SURFACE HOLE LOCATION PP PENETRATION POINT FTP FIRST TAKE POINT LTP LAST TAKE POINT BHL BOTTOM HOLE LOCATION OCC OKLAHOMA CORPORATION COMMISSION AS-DRIILLED LATERAL PROPOSED LATERAL PROPOSED LATERAL LEASE LINE SURVEY LINE	ORIGINAL STAKE DATE: 02/09/17 RE-STAKED DATE: 02/20/17 ADDED LATERAL DATE: 03/31/17 ADDED STAKED ELEV: 04/08/17 REVISED TITLE: 04/08/17	NOTE: 1. BEARINGS, DISTANCES & ACRES ARE GENUINE NAD 27 US OK SOUTH ZONE AND ARE OBTAINED BY NORMAL GPS TECHNIQUES. 2. ELEVATIONS ARE BASED ON NAVD 88 COMPUTED USING GDDM 12L. 3. THIS SURVEY IS FOR AN OIL & GAS SUB-SURFACE LEASE AND IS NOT A BOUNDARY SURVEY. 4. LOCATION OF ADJACENT 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.

John F. Watson & Company
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 PROFESSIONAL LAND SURVEYORS
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