

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

API NUMBER: 051 23657

Approval Date: 12/10/2012  
Expiration Date: 06/10/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 5N Rge: 5W County: GRADY  
SPOT LOCATION:  NW  SE  SE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 2080 455

Lease Name: BEAM Well No: 4-17 Well will be 455 feet from nearest unit or lease boundary.

Operator Name: EAGLE ROCK MID-CONTINENT OPERATING LLC Telephone: 2814081200 OTC/OCC Number: 22050 0

EAGLE ROCK MID-CONTINENT OPERATING LLC  
PO BOX 2968  
HOUSTON, TX 77252-2968

MELFORD L. SCOTT AND MARGARET L. SCOTT, CO  
TRUSTEES OF THE SCOTT REVOCABLE LIVING TRUST  
271 U.S. HIGHWAY 277  
CEMENT OK 73017

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

	Name	Depth	Name	Depth	
1	SYCAMORE	13194	6	MCLISH	15115
2	WOODFORD	13297	7		
3	HUNTON	13464	8		
4	VIOLA	14026	9		
5	BROMIDE	14614	10		

Spacing Orders: 271057

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201207316  
201207315

Special Orders:

Total Depth: 15750 Ground Elevation: 1018 **Surface Casing: 350** Depth to base of Treatable Water-Bearing FM: 170

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

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 located in a Hydrologically Sensitive Area.

Category of Pit: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

H. 20-MIL LINER REQUIRED

PERMIT NO: 12-22093

Notes:

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.

Category	Description
PENDING CD - 201207315	12/10/2012 - G30 - NE4 17-5N-5W X271057 SCMR, WDFD, HNTN, VIOL, BRMD, MCLS 2 WELLS NO OP. NAMED REC 12/7/12 (JOHNSON)
PENDING CD - 201207316	12/10/2012 - G30 - NE4 17-5N-5W X271057 SCMR, WDFD, HNTN, VIOL, BRMD, MCLS, OTHER NCT 330 FSL, NCT 330 FEL NO OP. NAMED REC 12/7/12 (JOHNSON)
SPACING - 271057	12/10/2012 - G30 - (160) 17-5N-5W AMEND/CLARIFY 263111 (S2 NE4) EXT 263111 SCMR, WDFD, HNTN, VIOL, BRMD, MCLS, OTHERS

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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.