

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

API NUMBER: 047 24661 A

Approval Date: 12/28/2012  
Expiration Date: 06/28/2013

Horizontal Hole Oil & Gas

Amend reason: ADD LAND APPLICATION PERMIT NUMBER.

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 22N Rge: 6W

County: GARFIELD

SPOT LOCATION:  NE  SW  SW  SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 386 401

Lease Name: LAUGHLIN

Well No: 9-1H

Well will be 386 feet from nearest unit or lease boundary.

Operator Name: GRAND OPERATING INC

Telephone: 9727882080

OTC/OCC Number: 19306 0

GRAND OPERATING INC  
15303 DALLAS PWY STE 1010  
ADDISON, TX 75001-4651

CORNERSTONE ROYALTY  
SUITE 1010  
15303 DALLAS PARKWAY  
ADDISON TX 75001

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	6550	6
2			7
3			8
4			9
5			10

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201207331  
201207333

Special Orders:

Total Depth: 11900

Ground Elevation: 1226

**Surface Casing: 1900**

Depth to base of Treatable Water-Bearing FM: 450

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

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: 13-22273

E. Haul to Commercial pit facility: Sec. 15 Twn. 24N Rng. 7W Cnty. 47 Order No: 284167

H. CLOSED SYSTEM=STEEL PITS (PER OPERATOR OPTION)

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 09 Twp 22N Rge 6W County GARFIELD

Spot Location of End Point: C SW SW NW

Feet From: NORTH 1/4 Section Line: 2310

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 6000

Radius of Turn: 700

Direction: 257

Total Length: 3500

Measured Total Depth: 11900

True Vertical Depth: 6650

End Point Location from Lease,  
Unit, or Property Line: 330

Notes:

Category	Description
DEEP SURFACE CASING	1/9/2013 - G30 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
PENDING CD - 201207331	1/9/2013 - G30 - (320 HOR) N2 9-22N-6W EST MSSP, OTHERS REC 12/3/12 (PETERSON)
PENDING CD - 201207333	1/9/2013 - G30 - N2 9-22N-6W X201207331 MSSP POE NCT 330 FEL, NCT 330 FNL BHL NCT 330 FWL, NCT 330 FNL NO OP. NAMED REC 12/3/12 (PETERSON)

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