

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

API NUMBER: 045 23298

Approval Date: 01/22/2013

Expiration Date: 07/22/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 20N Rge: 26W County: ELLIS
SPOT LOCATION: NE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 612 2300

Lease Name: ANN Well No: 3H-2 Well will be 612 feet from nearest unit or lease boundary.

Operator Name: CHAPARRAL ENERGY LLC Telephone: 4054264481 OTC/OCC Number: 16896 0

CHAPARRAL ENERGY LLC
701 CEDAR LAKE BLVD
OKLAHOMA CITY, OK 73114-7800

HERBER FAMILY, LLC
ROUTE 2, BOX 103
SHATTUCK OK 73858

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

Name	Depth	Name	Depth
1 CLEVELAND	8050	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 122784 Location Exception Orders: 604795 Increased Density Orders: 604794
592475 592367

Pending CD Numbers:

Special Orders:

Total Depth: 13300 Ground Elevation: 2374 **Surface Casing: 810** Depth to base of Treatable Water-Bearing FM: 560

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No 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: 25000 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 BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-22180
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 02 Twp 20N Rge 26W County ELLIS

Spot Location of End Point: C N2 NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 8100

Radius of Turn: 360

Direction: 5

Total Length: 4928

Measured Total Depth: 13300

True Vertical Depth: 8815

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

Notes:

Category	Description
INCREASED DENSITY - 592367	1/22/2013 - G30 - 2-20N-26W X122784 CLVD 4 WELLS CHAPARRAL ENERGY, LLC 12/22/11
INCREASED DENSITY - 604794	1/22/2013 - G30 - EXTEND INCREASED DENSITY ORDER #592367 UNTIL 12-22-13
LOCATION EXCEPTION - 592475	1/22/2013 - G30 - (I.O.) 2-20N-26W X122784 CLVD SHL NCT 250 FSL, NCT 1980 FEL COMP. INT. NCT 330 FSL, NCT 330 FNL, NCT 1320 FEL 100' TOLERANCE EAST AND WEST NO OP. NAMED 12/29/11
LOCATION EXCEPTION - 604795	1/22/2013 - G30 - EXTEND LOCATION EXCEPTION ORDER #592475 UNTIL 12/29/13
SPACING - 122784	1/22/2013 - G30 - (640) 2-20N-26W EST CLVD, 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.