

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

API NUMBER: 065 20270

Approval Date: 01/29/2013

Expiration Date: 07/29/2013

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 3N Rge: 21W County: JACKSON
SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 1210 330

Lease Name: DARNELL 19 Well No: 1 Well will be 330 feet from nearest unit or lease boundary.

Operator Name: HEIGHTS ENERGY CORPORATION Telephone: 9723780304 OTC/OCC Number: 23012 0

HEIGHTS ENERGY CORPORATION
5801 TENNYSON PKWY STE 300
PLANO, TX 75024-6170

LOU R. DARNELL
812 CANTERBURY
ALTUS OK 73521

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

	Name	Depth	Name	Depth
1	CANYON	3250	6	
2	STRAWN	3810	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5500 Ground Elevation: 1433 **Surface Casing: 140** Depth to base of Treatable Water-Bearing FM: 90

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: 1B

Liner required for Category: 1B

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.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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

SPACING

1/29/2013 - G75 - FORMATIONS UNSPACED; 160-ACRE LEASE (NW4)

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.

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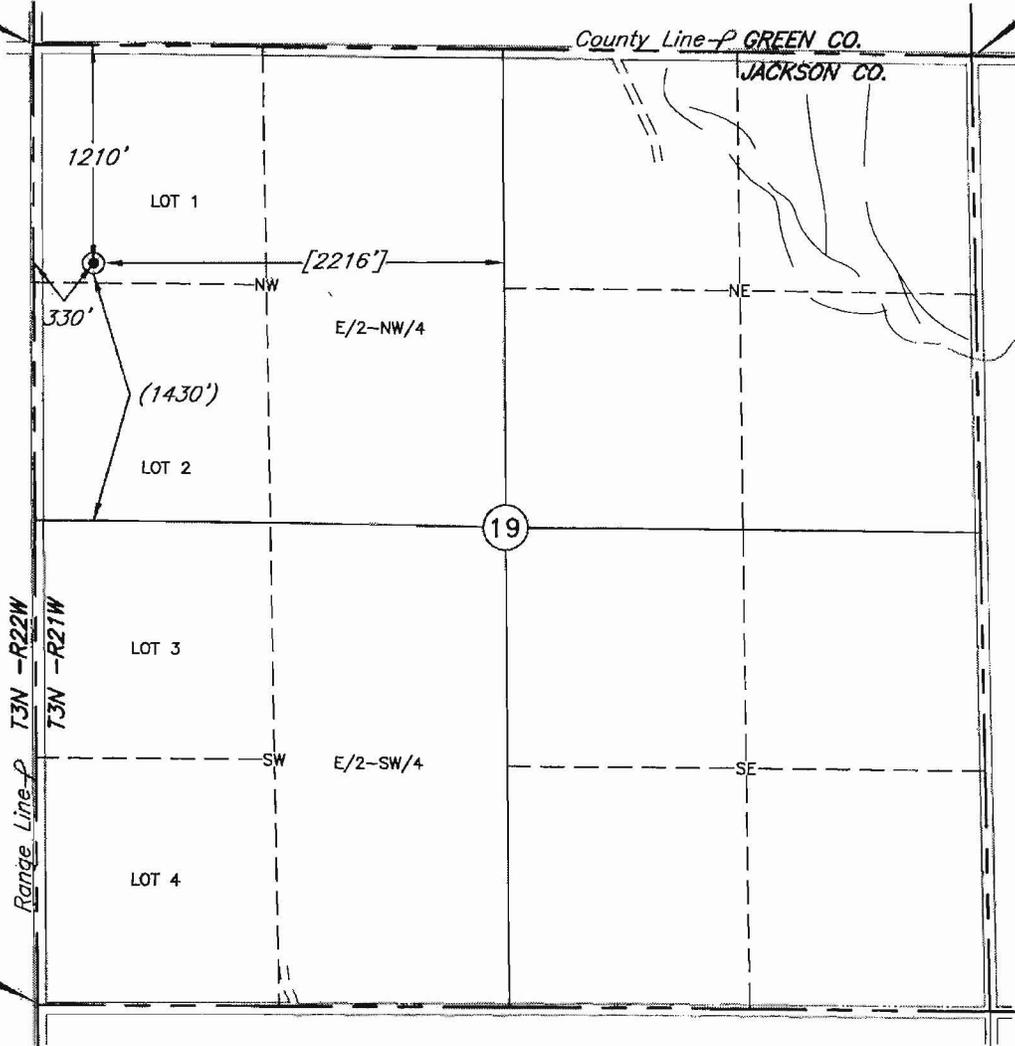
API
 065-20270

JACKSON County, Oklahoma

1210' FNL - 330' FWL Section 19 Township 3N Range 21W I.M.

X= 1562234
 Y= 509523

X= 1567424
 Y= 509523



Corner Coordinates are Taken from Points Surveyed in the Field.

Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have NOT been measured on the ground.

Operator: HEIGHTS ENERGY CORPORATION

Lease Name: DARNELL 19

Well No.: 1

ELEVATION:
 1433' Gr. at Stake

Topography & Vegetation Loc. fell in wheat field

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From West off county road

Distance & Direction from Hwy Jct or Town From US Hwy 62, Duke, OK, go ±6.5 miles East on US Hwy 62, then ±6 miles North to the NW Cor. of Sec. 19--T3N-R21W

SCANNED

This information was gathered with a GPS receiver with Sub-Meter accuracy.

DATUM: NAD-27
 LAT: 34°43'18.2"N
 LONG: 99°27'20.7"W
 LAT: 34.721724740 N
 LONG: 99.455752323 W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK SOUTH
 X: 1562561
 Y: 508406

Date of Drawing: Jan. 28, 2013
 Invoice # 195774 Date Staked: Jan. 23, 2013 DB

CERTIFICATE:

I, Lee K. Goss a Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Lee K. Goss
 Oklahoma Lic. No. 1778

