

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

API NUMBER: 017 24685

Approval Date: 06/11/2014
Expiration Date: 12/11/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 13N Rge: 5W County: CANADIAN
SPOT LOCATION: SE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 185 573

Lease Name: HORSESHOE Well No: 3-1H Well will be 185 feet from nearest unit or lease boundary.

Operator Name: GASTAR EXPLORATION INC Telephone: 7137391800; 4057221 OTC/OCC Number: 23199 0

GASTAR EXPLORATION INC
1331 LAMAR STE 650
HOUSTON, TX 77010-3131

KAY-BEE INVESTMENT CO., LLC
6801 N. CLASSEN BLVD. SUITE A
OKLAHOMA CITY OK 73116

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	7200	6	
2	WOODFORD	7345	7	
3	HUNTON	7410	8	
4			9	
5			10	

Spacing Orders: 625320

Location Exception Orders: 625760

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13400

Ground Elevation: 1109

Surface Casing: 1010

Depth to base of Treatable Water-Bearing FM: 960

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 10000 Average: 2500

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: SALT PLAINS

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

PERMIT NO: 14-27154

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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 03 Twp 13N Rge 5W County CANADIAN

Spot Location of End Point: NW NE NE NW

Feet From: SOUTH 1/4 Section Line: 2465

Feet From: WEST 1/4 Section Line: 2076

Depth of Deviation: 5900

Radius of Turn: 1783

Direction: 353

Total Length: 5100

Measured Total Depth: 13400

True Vertical Depth: 7700

End Point Location from Lease,
Unit, or Property Line: 175

Notes:

Category

Description

LOCATION EXCEPTION - 624760

6/11/2014 - G72 - 03-13N-05W (I.O.)
X 625320 MSSP, WDFD, HNTN;
SHL NCT 0 FSL NCT FEL NCT 0 FWL;
COMP INT. NCT 165 FSL NCT 165 FNL NCT 660 FEL NCT 660 FWL;
GASTAR EXPLORATION INC.
5/21/2014

SPACING - 625320

6/11/2014 - G72 - (640 HORZ) 3-13N-5W
COEXIST/SUPERSEDE 169876 & 182916 MISS, HNTN;
EXT 616608 MSSP, WDFD, HNTN;