

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

API NUMBER: 047 24930

Approval Date: 09/15/2014
Expiration Date: 03/15/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 24N Rge: 7W County: GARFIELD
SPOT LOCATION: NW NW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 200 1150

Lease Name: KIM 2407 Well No: 2-32H Well will be 200 feet from nearest unit or lease boundary.
Operator Name: SANDRIDGE EXPLORATION & PRODUCTION LLC Telephone: 4054296169 OTC/OCC Number: 22281 0

SANDRIDGE EXPLORATION & PRODUCTION LLC
123 ROBERT S KERR AVE STE 1702
OKLAHOMA CITY, OK 73102-6406

KIM & CHARLES WELKER
7304 W. HOLDEN
KREMLIN OK 73753

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

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 6148 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 620679 Location Exception Orders: Increased Density Orders: 629539
Pending CD Numbers: 201405348 Special Orders:

Total Depth: 11806 Ground Elevation: 1375 **Surface Casing: 450** Depth to base of Treatable Water-Bearing FM: 200

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

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 10000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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: CEDAR HILLS

Approved Method for disposal of Drilling Fluids:

- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28355
- E. Haul to Commercial pit facility: Sec. 15 Twn. 24N Rng. 7W Cnty. 47 Order No: 623842
- 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 32 Twp 24N Rge 7W County GARFIELD

Spot Location of End Point: S2 S2 SE SE

Feet From: SOUTH 1/4 Section Line: 150

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 5648

Radius of Turn: 789

Direction: 179

Total Length: 4918

Measured Total Depth: 11806

True Vertical Depth: 6437

End Point Location from Lease,
Unit, or Property Line: 150

Notes:

| Category | Description |
|---|---|
| INCREASED DENSITY - 629539 | 9/15/2014 - G91 - 32-24N-7W X 620679 MSSP 3 WELLS SANDRIDGE EXPLORATION AND PRODUCTION, LLC. 8-21-2014 |
| PENDING CD - 201405348 | 9/15/2014 - G91 - 32-24N-7W X 620679 MSSP COMP. INT. NCT 150 FNL, NCT 150 FSL, NCT 560 FEL NO OP. NAMED REC. 8-12-2014 (NORRIS) |
| PUBLIC WATER SUPPLY/WELL HEAD PROTECTION AREAS | 9/15/2014 - G76 - BUTCH MCCEMAS - 1 PWS/WPA - SW/4 28-24N-7W |
| SPACING - 620679 | 9/15/2014 - G91 - (640)(HOR/VER) 32-24N-7W EXT 618213 (HOR) MSSP EXT VARIOUS (VER) OTHERS |