

1. API No.	019 26007 <input checked="" type="checkbox"/>
2. OTC Prod. Unit No.	019 213695
3. Date of Application	1/12/2015

4. Application For (check one)

- A. Commingle Completion in the Wellbore (165:10-3-39)
 B. Commingle Completion at the Surface (165:10-3-39)
 C. Multiple (Dual) Completion (165:10-3-36)
 D. Downhole Multiple Choke Assembly (165:10-3-37)

5. Operator Name	Avalon Exploration, Inc.	OTC/OCC No.	14147 <input checked="" type="checkbox"/>	Email	risully@avalonexploration.com
Address	15 W. 6th Street, Suite 2300	Phone No.	918-523-0600		
City	Tulsa	State	OK	Zip	74119
6. Lease Name/Well No.	London Company #1-18 <input checked="" type="checkbox"/>	FAX No.	918-523-0658		
Location within section:	NW 1/4 NE 1/4 NW 1/4 SE 1/4	Sec.	18 <input checked="" type="checkbox"/> Twp	04S <input checked="" type="checkbox"/> Rge	01W <input checked="" type="checkbox"/> County
					Carter <input checked="" type="checkbox"/>

8. The following facts are submitted:	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
A. Name of common source of supply	(Deer) Tussy Upper <input checked="" type="checkbox"/>		Woodford <input checked="" type="checkbox"/>
B. Top and bottom of pay section (perforations)	Top 712 Bottom 7770 <input checked="" type="checkbox"/>		Top 8400 Bottom 8493 <input checked="" type="checkbox"/>
C. Type of production (oil or gas)	Oil		Oil <input checked="" type="checkbox"/>
D. Method of production (flowing or art. lift)	Flowing		Flowing <input checked="" type="checkbox"/>
E. Latest test data by zone (oil, gas, and water)	145 bo, 509 MCF, 100 BW 9/28/2014 <input checked="" type="checkbox"/>		40 bo, 52 MCF, 6 BW 8/17/2014 <input checked="" type="checkbox"/>
F. Wellhead or bottom hole pressure	180#	Oklahoma Corporation Commission Oil & Gas Division Approved	
G. Spacing order number and size of unit	40 acre/ Order # 127607 <input checked="" type="checkbox"/>		160 acre/ Order # 367450 <input checked="" type="checkbox"/>
H. Increased density order number	NA		NA <input checked="" type="checkbox"/>
I. Location exception order number and penalty	N/A <input checked="" type="checkbox"/>		626653 <input checked="" type="checkbox"/>

If 4A, 4B or 4D above, and size of the units under 8G above are not the same, have the different allocations been addressed? Yes No

9. List all operators with mailing addresses within 1/2 mile, producing from the above listed zones.	
Avalon Exploration, Inc.	15 W. 6th Street Ste 2300 Tulsa OK 74119

10. The operators listed above have been notified and furnished a copy of this application. Yes No
 If no, an affidavit of mailing must be filed not later than five (5) days after submission of this application.

11. Classification of well (see OAC 165:10-13-2) Oil Gas

RECEIVED

12. ATTACH THE FOLLOWING:

- A. Correlation log section (porosity, resistivity, or gamma ray) with top and bottom of perforated intervals marked.
- B. Diagrammatic sketch of the proposed completion of the well.
- C. Plat showing the location of all wells within 1/2 mile producing from the zones listed above.
- D. If 4B, 4C or 4D above, a Form 1024, Packer Setting Report, and a Form 1025 Packer Leakage Test.
- E. If 4A, 4B or 4D above, and size of the units under 8G above are not the same, have the different allocations been addressed? Yes No

FEB 18 2015
OKLAHOMA CORPORATION COMMISSION

I hereby certify that I am authorized to submit this application which was prepared by me or under my supervision. The facts and proposals made herein are true correct and complete to the best of my knowledge and belief.

Randall L. Sullivan Signature Manager Title 918-523-0600 Phone (AC/NO)

OCC USE ONLY

<u>S.A</u> Staff Signature	Phone No.	<u>2.26.15</u> Date	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Rejected
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File Original Only
Please Type or Use Black Ink

OKLAHOMA CORPORATION COMMISSION
Oil & Gas Conservation Division
Post Office Box 52000
Oklahoma City, Oklahoma 73152-2000

Form 1023
Rev. 2007

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Address	15 W. 6th Street, Suite 2300	Phone No.	918-523-0600	City	Tulsa
City	Tulsa	State	OK	Zip	74119
6. Lease Name/Well No.	London Company #1-18	FAX No.	918-523-0658	Location within section:	1/4 1/4 NW 1/4 SE 1/4
		County	Carter	Sec.	18
		Twp	04S	Rge	01W

8. The following facts are submitted:	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
A. Name of common source of supply	Tussy Upper		Woodford
B. Top and bottom of pay section (perforations)	Top 7112 Bottom 7935		Top 8400 Bottom 8493
C. Type of production (oil or gas)	Oil		Oil
D. Method of production (flowing or art. lift)	Flowing		Flowing
E. Latest test data by zone (oil, gas, and water)	145 bbl, 509 mcf, 100 water		40 bbl, 52 mcf, 6 bbl water
F. Wellhead or bottom hole pressure	180#		95#
G. Spacing order number and size of unit	40 acre, Order # 127607		160 acre, Order # 367450
H. Increased density order number	NA		NA
I. Location exception order number and penalty	NA		626653

If 4A, 4B or 4D above, and size of the units under 8G above are not the same, have the different allocations been addressed? Yes No

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I hereby certify that I am authorized to submit this application which was prepared by me or under my supervision. The facts and proposals made herein are true correct and complete to the best of my knowledge and belief.

Randall L. Sullivan Signature Manager Title 918-523-0600 Phone (AC/NO)

OCC USE ONLY

Staff Signature	Phone No.	Date	<input type="checkbox"/> Approved <input type="checkbox"/> Rejected
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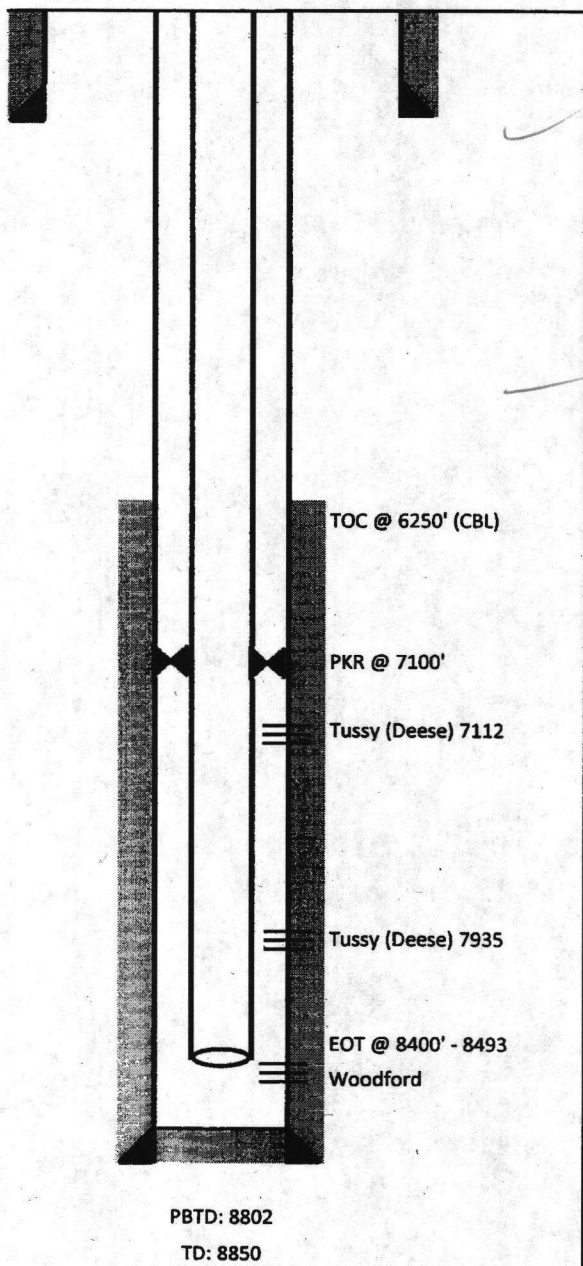
Avalon Exploration Inc

WELLBORE DIAGRAM (Proposed Commingled)

London Company #1-18
Carter Co., OK
API #35-019-26007

TD: 8,850'
PBTD: 8,802'
KB: 15'
GL Elev: 931'

Lift Method: Gas Lift
PKR Specs: WTFD X-flow
Other/Misc:



Perforation History					
Zone	Status	Upr	Lwr	SPF	Date
Woodford	Active	8490	8493	2	6/10/2014
Woodford	Active	8440	8443	2	6/10/2014
Woodford	Active	8400	8403	2	6/10/2014
Tussy (Deese)	Active	7932	7935	1	9/16/2014
Tussy (Deese)	Active	7860	7869	1	9/16/2014
Tussy (Deese)	Active	7770	7772	2	9/16/2014
Tussy (Deese)	Active	7692	7695	1	9/16/2014
Tussy (Deese)	Active	7574	7577	1	9/16/2014
Tussy (Deese)	Active	7258	7262	2	9/18/2014
Tussy (Deese)	Active	7112	7116	2	9/18/2014

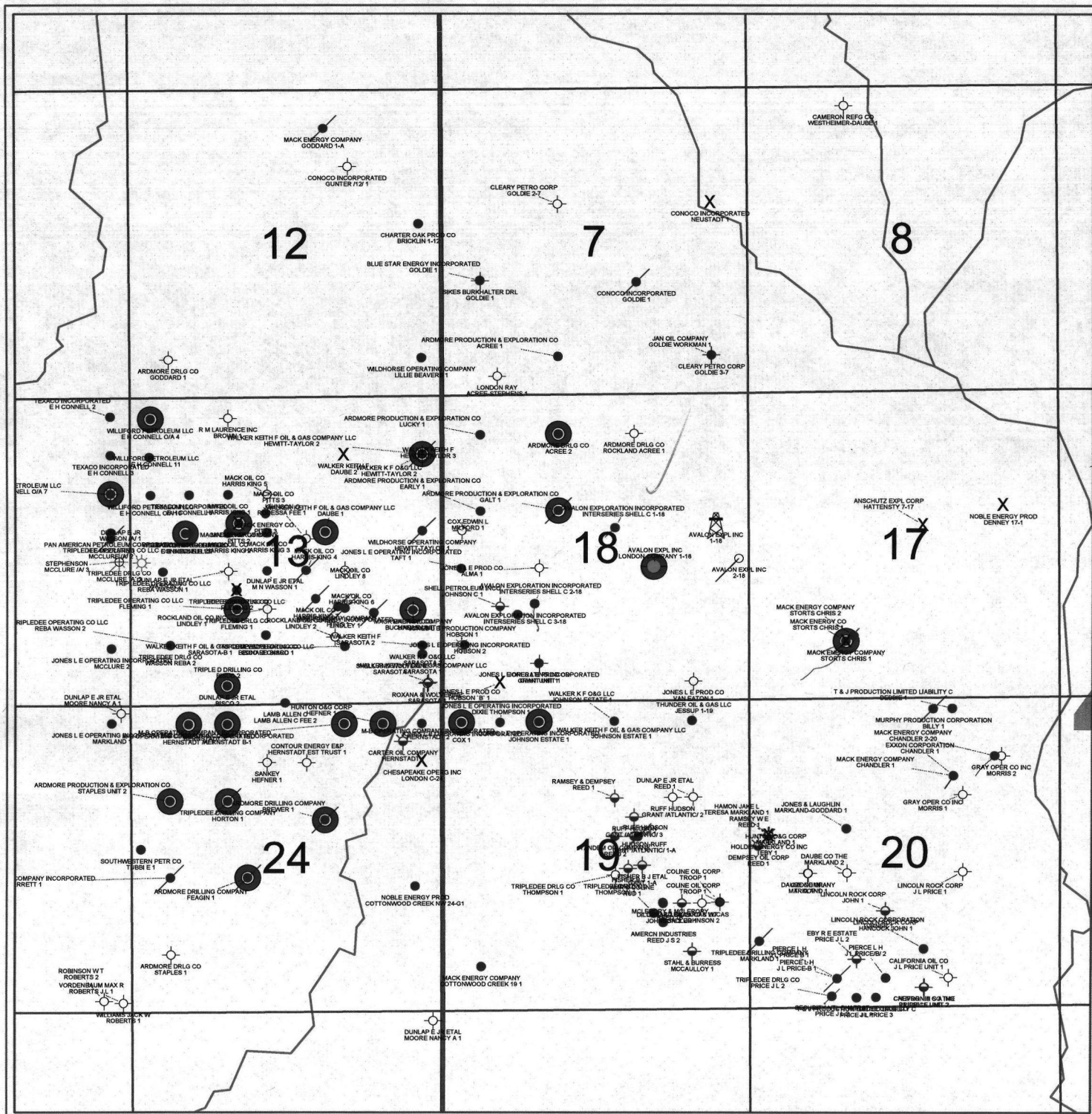
Csg/Tbg Data				
Size	Weight	Grade	Length	KB Depth
8.625	24.0	J-55 STC	918	933'
5.500	17.0	L-80 BTC	8832	8,847'
2.375	4.7	J-55 EUE	8385	8,400'

Well History	
5/9/2014	Spud well. Release rig on 5/27/14.
6/10/2014	Perf Woodford. Breakdown w/ 1000 gals 15% NEFE. Frac w/ 91.5k lbs 40/70 Ottawa & 138k gals slick water + 2% KCl @ 50 BPM. Start producing Woodford.
9/16/2014	Set CPB @ 8720'. Perf Upper Deese.
9/18/2014	Breakdown Upr & Lwr Deese Sands w/ 6000 ga 15% NEFE. Frac w/ a total of 253k lbs 40/70 & 20/40 Ottawa & 274k gals 20# gel + 2% KCl @ 50-60 BPM. Start producing Deese only.

Other Notes

Well is currently producing out of the Deese only w/ CBP above Woodford perforations.

Last Revision:
12/5/14
ELB



Avalon Exploration

18-4S-1W

Carter Co.



POSTED WELL DATA

● Operator Well Label

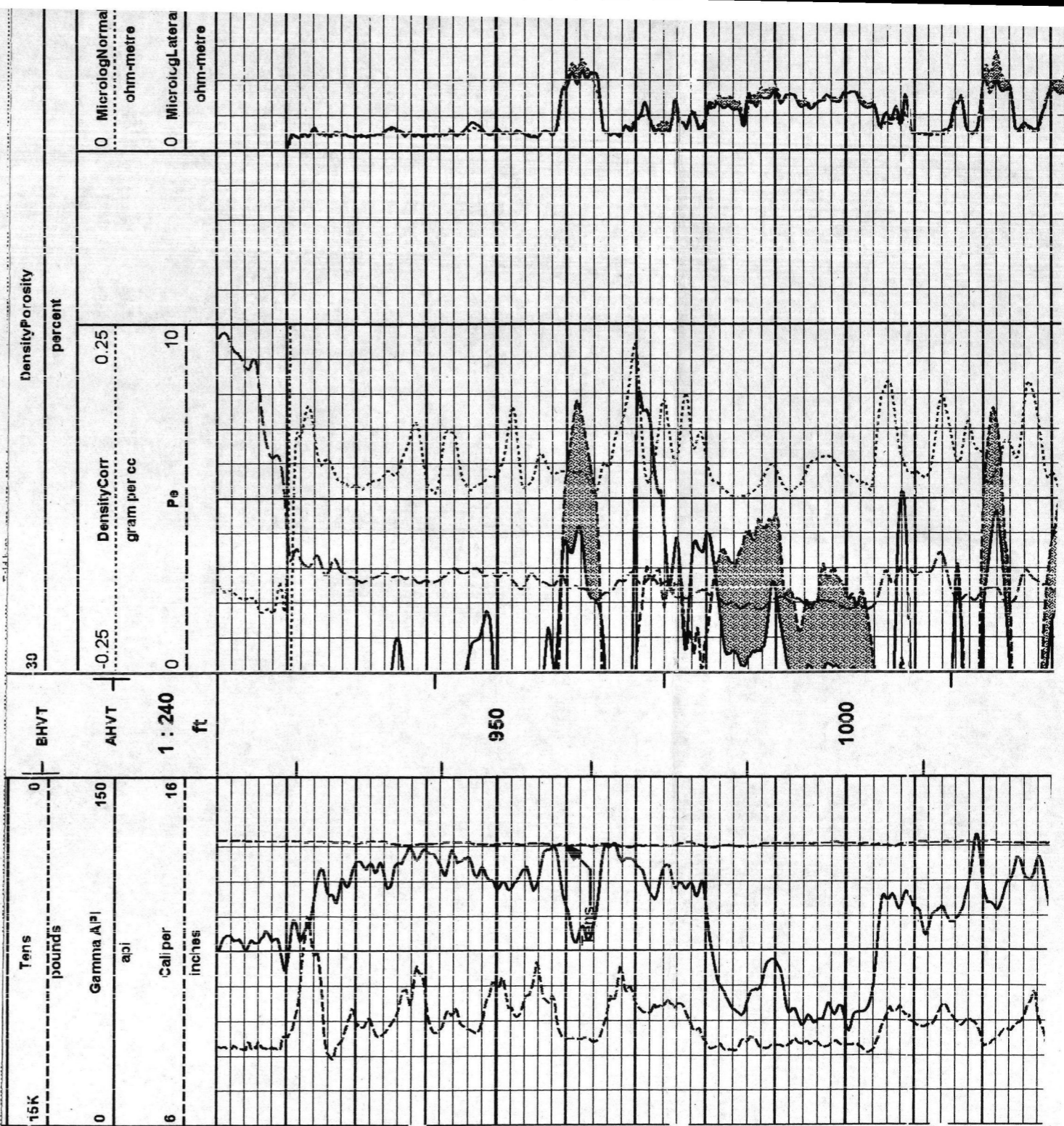
- ATTRIBUTE MAP**
- Zone: PF - UPPER_TUSSY IS PRESENT
 - Zone: PF - WOODFORD IS PRESENT

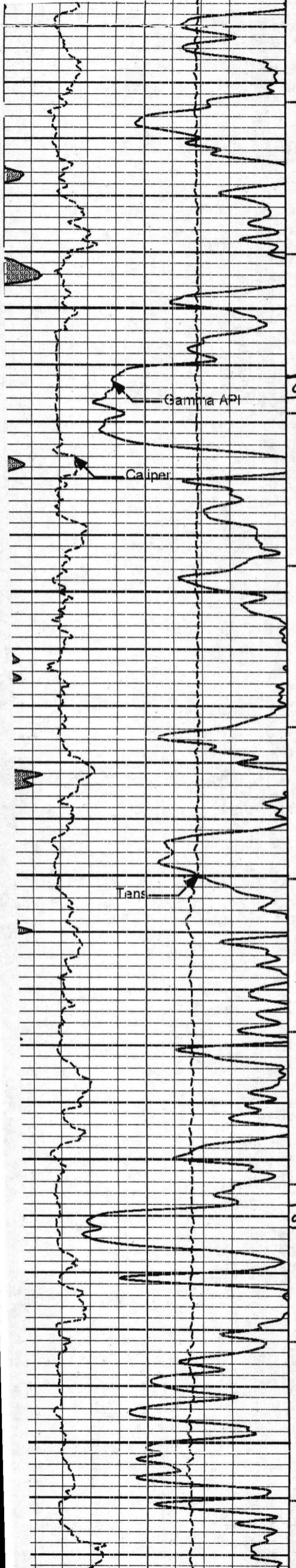
January 13, 2015

HALLIBURTON

SPECTRAL DENSITY DUAL SPACED NEUTRON MICROLOG

COMPANY AV ALON EXPLORATION INC.		COMPANY AV ALON EXPLORATION INC.	
WELL LONDON COMPANY 1-18		WELL LONDON COMPANY 1-18	
FIELD/BLOCK N.W ARDMORE		FIELD/BLOCK N.W ARDMORE	
COUNTY CARTER		COUNTY CARTER	
STATE OKLAHOMA		STATE OKLAHOMA	
APINo. 35-019-26007-02		Other Services: SDLT DSNT MICROLOG BSAT ICT XRMI	
Location C NE NW SE 2310' FSL & 990' FWL			
Sect. 18	Twp. 4S	Rge. 1W	
Permanent Datum	GL	Elev. 938.0 ft	Elev.: K.B. 954.5 ft
Log measured from	KB	16.5 ft above perm. Datum	D.F. 954.5 ft
Drilling measured from	KB		G.L. 938.0 ft
Date	23 May 14		
Run No.	ONE		
Depth - Driller	8850.00 ft		
Depth - Logger	8836.0 ft		
Bottom - Logged Interval	8836.0 ft		
Top - Logged Interval	920.0 ft		
Casing - Driller	8.625 in @ 930.0 ft	@	@
Casing - Logger	920.0 ft		
Bit Size	7.875 in @ @		
Type Fluid in Hole	Water Based Mud		
Density	Viscosity	9.2 ppg	70.00 s/qt
PH	Fluid Loss	10.41 pH	3.5 cptrm
Source of Sample FLOWLINE			
Rm @ Meas. Temperature	1.36 ohmm @ 95.00 degF	@	@
Rmf @ Meas. Temperature	1.15 ohmm @ 70.00 degF	@	@
Rmc @ Meas. Temperature	1.550 ohmm @ 70.00 degF	@	@
Source Rmf	Rmc	CALCULATED	CALCULATED
Rm @ BHT	0.92 ohmm @ 143.0 degF	@	@
Time Since Circulation	9.0 hr		
Time on Bottom	24-May-14 17:46		
Max. Rec. Temperature	143.0 degF @ 8836.0 ft	@	@
Equipment	Location	15049592	PVOK
Recorded By	CHRIS MARLOWE		
Witnessed By	JOHN WIECZOREK	JAKE ENGEL	

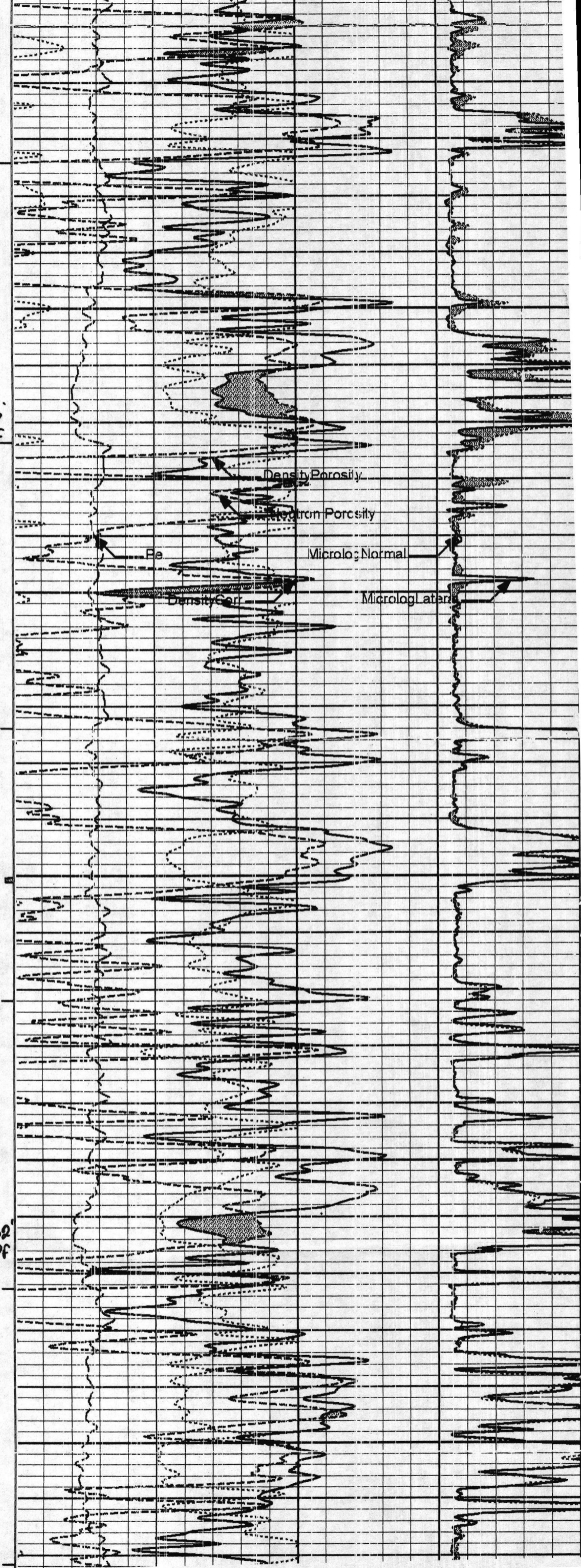




7050
7100
7150
7200
7250
7300

712-16'
@ 25PF

7258-62'
@ 25PF



Gamma API

Caliper

Trans

Density Porosity

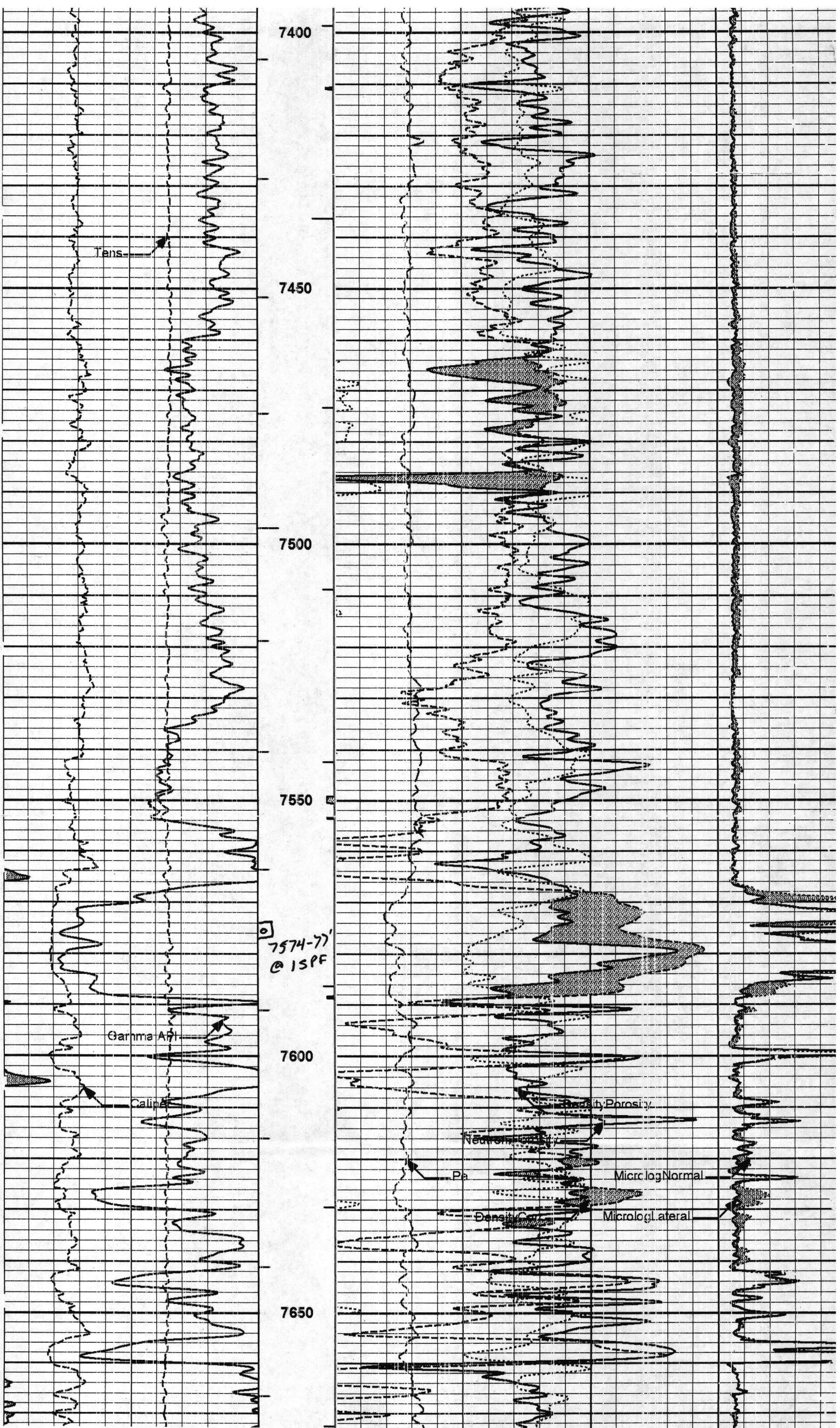
Neutron Porosity

Microlog Normal

Microlog Lateral

Pe

Density Cell



7400

7450

7500

7550

7600

7650

Tens.

Gamma API

Caliper

7574-77
@ 15 PF

Neutron Porosity

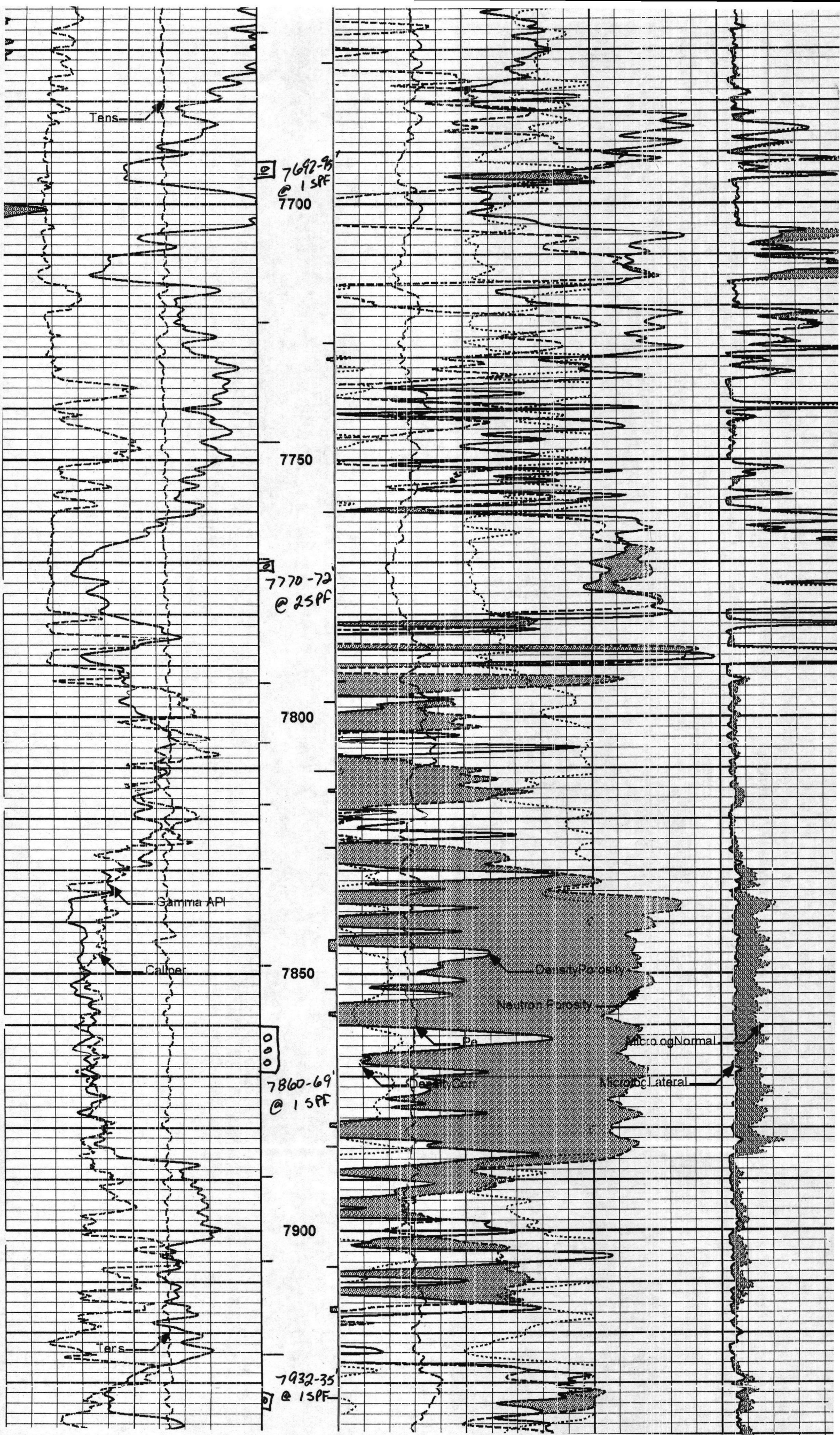
Density Porosity

Pa

Microlog Normal

Density Core

Microlog Lateral



Tens

7692-7700
@ 15PF

7750

7770-7800
@ 25PF

7800

Gamma API

Caliper

7850

Density Porosity

Neutron Porosity

Pa

Micro log Normal

7860-69'
@ 15PF

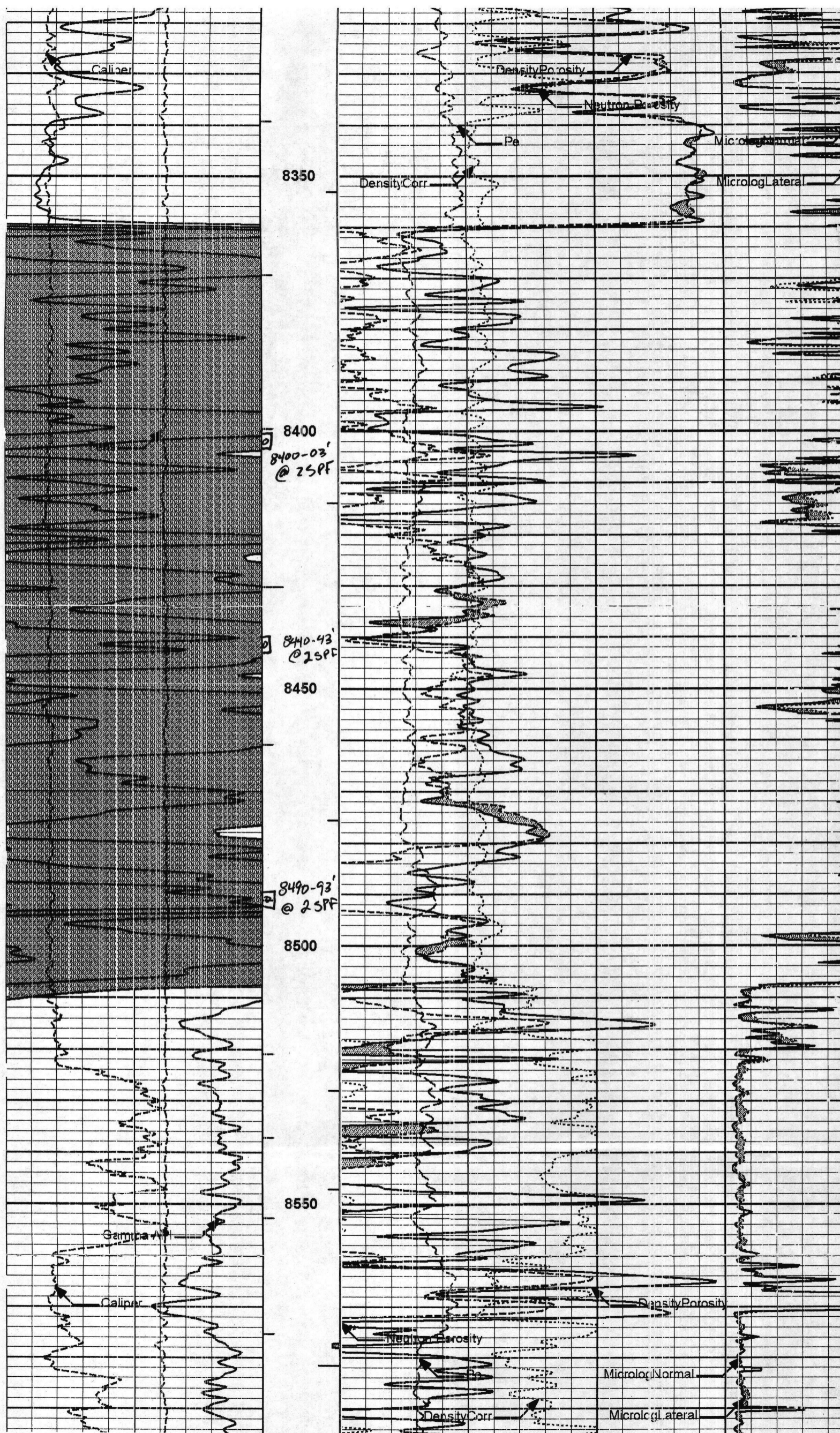
Density Corr

Micro log Lateral

7900

Tens

7932-35
@ 15PF



Avalon Exploration Inc

London Company #1-18 Reserve Assessment

Woodford Reserves:

$$\text{OIP, STB} = 7758 \times \text{Porosity} \times \text{Area} \times \text{Height} \times (1 - \text{Sw}) / \text{Boi}$$

-OIP = Original Oil in Place

-Sw = Water Saturation

-Boi = Initial Formation Volume Factor

$$\text{OIP, STB} = 7758 \times 0.22 * 160 \text{ acres} \times 88' \times (1 - 0.05) / 1.574$$

-Porosity & Height determined f/ Log Analysis

-Water Saturation determined f/ Production

-Formation Volume Factor determined f/ Hagedorn-Brown Correlation

-Area based on permit

$$\text{OIP} = 17,231,238 \text{ STB}$$

$$\text{Recovery} = \text{OIP} \times \text{RF}$$

-RF = Recovery Factor

$$\text{Recovery} = 14,504,207 \text{ STB} \times 0.5\%$$

$$\text{Recovery} = 72,500 \text{ STB}$$

$$\text{Production so far} = 2,000 \text{ BOE}$$

$$\text{Remaining Reserves} = (72,500 - 2,000) \text{ BOE} = 70,500 \text{ BOE}$$

Deese Reserves:

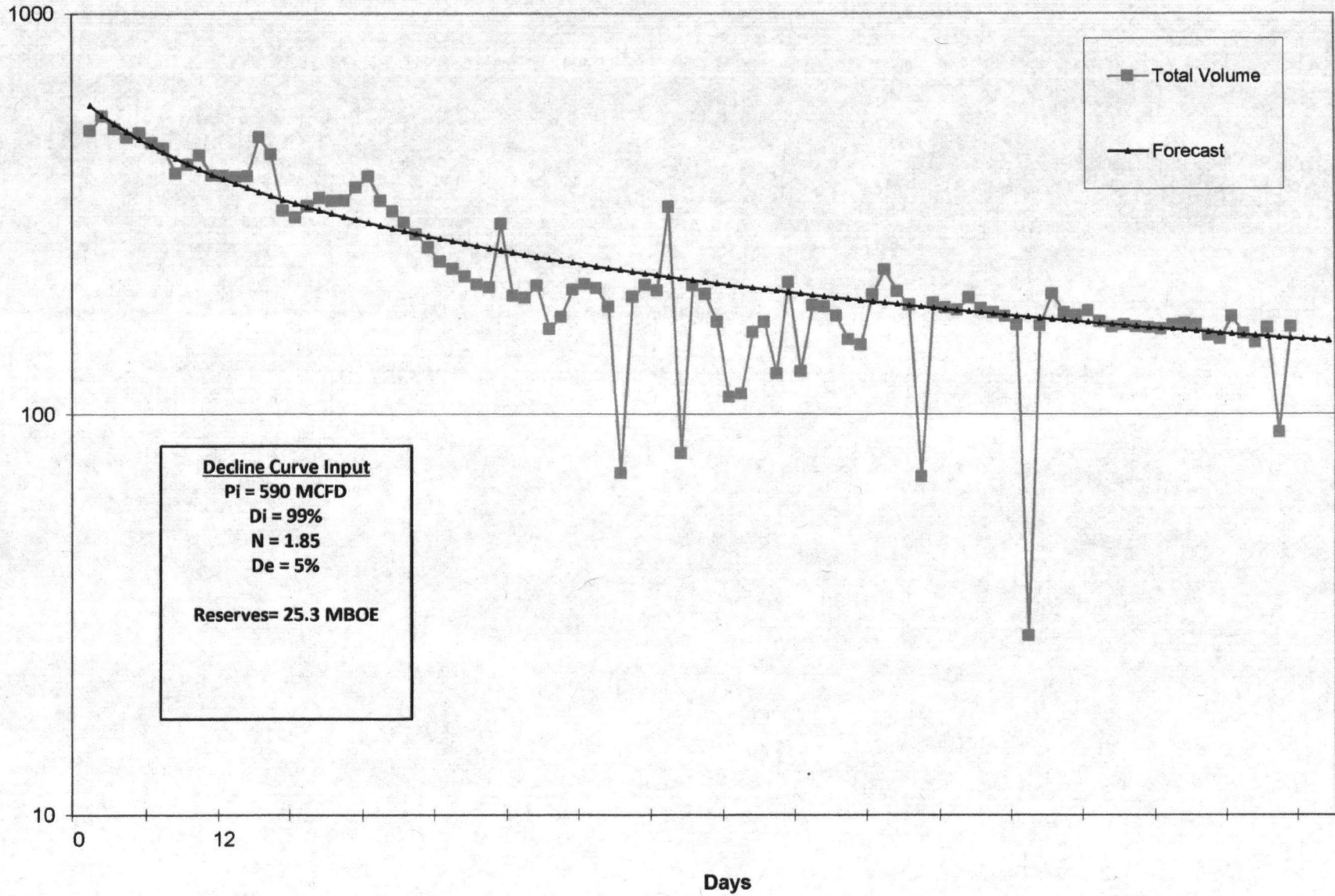
Reserves = 39,300 BOE: Based on Decline Curve Analysis (See attached production plots)

$$\text{Production projected through 2/28/15} = 9,500 \text{ BOE}$$

$$\text{Remaining Reserves} = (39,300 - 9,500) \text{ BOE} = 29,800 \text{ BOE}$$

$$\text{Deese Allocation} = [29,800 / (70,500 + 29,800)] \text{ BOE} = 29.7\%$$

Avalon Exploration Inc
London Company #1-18
Daily Deese Gas Production



Avalon Exploration Inc
London Company #1-18
Daily Deese Oil Production

