

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

API NUMBER: 083 24038

Approval Date: 11/14/2012
Expiration Date: 05/14/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 18N Rge: 2W County: LOGAN
SPOT LOCATION: SE SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 260 450

Lease Name: C. MATTHEWS Well No: 8-18N-2W 1 WH Well will be 260 feet from nearest unit or lease boundary.
Operator Name: DEVON ENERGY PRODUCTION CO LP Telephone: 4052353611 OTC/OCC Number: 20751 0

DEVON ENERGY PRODUCTION CO LP
333 W SHERIDIAN AVE DEC 34.428
OKLAHOMA CITY, OK 73102-5010

SOUTH 54 FARM LLC
PO BOX 18637
OKLAHOMA CITY OK 73154

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	5350	6	
2	WOODFORD	5650	7	
3	MISENER-HUNTON	5700	8	
4	SYLVAN	5725	9	
5			10	

Spacing Orders: 602588

Location Exception Orders: 603733

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 11130

Ground Elevation: 1016

Surface Casing: 500

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: 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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: GARBER

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

H. SEE MEMO

PERMIT NO: 12-21901

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.

PIT 2 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000
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: 3
Liner required for Category: 3
Pit Location is BED AQUIFER
Pit Location Formation: GARBER

HORIZONTAL HOLE 1

Sec 08 Twp 18N Rge 2W County LOGAN
Spot Location of End Point: SE SW SE SE
Feet From: SOUTH 1/4 Section Line: 50
Feet From: EAST 1/4 Section Line: 900
Depth of Deviation: 5014
Radius of Turn: 716
Direction: 194
Total Length: 4963
Measured Total Depth: 11130
True Vertical Depth: 5745
End Point Location from Lease,
Unit, or Property Line: 50

Table with 3 columns: Additional Surface Owner, Address, City, State, Zip. Row 1: JERRY PFEIFFER, 25497 N. PINE, ORLANDO, OK 73073

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, LOCATION EXCEPTION - 603733, PITS 1 & 2, and SPACING - 602588.

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