

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

API NUMBER: 039 22417

Approval Date: 07/05/2013
Expiration Date: 01/05/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 14N Rge: 17W County: CUSTER
SPOT LOCATION: S2 S2 SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 229 1980

Lease Name: CY JAKE Well No: 2-31H Well will be 229 feet from nearest unit or lease boundary.

Operator Name: PRIMARY NATURAL RESOURCES III LLC Telephone: 9184950598 OTC/OCC Number: 22514 0

PRIMARY NATURAL RESOURCES III LLC
7134 S YALE AVE STE 430
TULSA, OK 74136-6351

2D CATTLE COMPANY, INC. ATTN: DENNIS ED SHEPHARD
9471 N. 2205 ROAD
ARAPAHO OK 73620

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

	Name	Depth	Name	Depth
1	COTTAGE GROVE	9069	6	
2	CLEVELAND	9957	7	
3			8	
4			9	
5			10	

Spacing Orders: 110313
148743
185491

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201303797

Special Orders:

Total Depth: 14600

Ground Elevation: 1700

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 360

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: 100000 Average: 5000

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 13-23709

H. SEE MEMO

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: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 31 Twp 14N Rge 17W County CUSTER

Spot Location of End Point: C N2 NE NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 9552

Radius of Turn: 600

Direction: 360

Total Length: 4105

Measured Total Depth: 14600

True Vertical Depth: 10084

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

7/3/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

MEMO

7/3/2013 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201303797

7/5/2013 - G75 - (I.O.) 31-14N-17W
X110313/148743 CGGV, OTHERS
X185491 CLVD, OTHER
FIRST PERF NCT 330 TO SL, NCT 1650 TO WL
LAST PERF NCT 330 TO NL, NCT 1600 TO WL
NO OP. NAMED
REC 7-2-2013 (JOHNSON)

SPACING - 110313

7/5/2013 - G75 - (640) 31-14N-17W
EXT 86789/107692 CGGV, OTHERS
EXT OTHERS

SPACING - 148743

7/5/2013 - G75 - (640) 31-14N-17W
EXT 134573 CGGV, OTHERS

SPACING - 185491

7/5/2013 - G75 - (640) 31-14N-17W
EXT 104183 CLVD, OTHER
EXT OTHERS

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