

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

API NUMBER: 045 23373

Approval Date: 07/19/2013
Expiration Date: 01/19/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 18N Rge: 23W County: ELLIS
SPOT LOCATION: S2 S2 SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 200 1980

Lease Name: SHREWDER Well No: 3-18H Well will be 200 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

THE SHREWDER TRUST C/O FARMERS NATIONAL
COMPANY
P.O. BOX 1783
DODGE CITY KS 67801

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

Name	Depth	Name	Depth
1 CLEVELAND	9376	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 346643 Location Exception Orders: 611415 Increased Density Orders: 611944

Pending CD Numbers: 201302060

Special Orders:

Total Depth: 14268 Ground Elevation: 2503 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 660

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

PIT 1 INFORMATION

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 BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23900
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 BED AQUIFER

Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 18 Twp 18N Rge 23W County ELLIS

Spot Location of End Point: C N2 NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 8776

Radius of Turn: 600

Direction: 180

Total Length: 4549

Measured Total Depth: 14268

True Vertical Depth: 9376

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

Notes:

Category	Description
DEEP SURFACE CASING	7/18/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 611944	7/18/2013 - G75 - 18-18N-23W X346643 CLVD 1 WELL PRIMARY NATURAL RESOURCES III, LLC 5-22-2013
LOCATION EXCEPTION - 611415	7/18/2013 - G75 - (I.O.) 18-18N-23W X346643 CLVD FIRST PERF NCT 330 TO SL, NCT 1650 TO EL LAST PERF NCT 330 TO NL, NCT 1650 TO EL PRIMARY NATURAL RESOURCES III, LLC 5-9-2013
MEMO	7/18/2013 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
PENDING CD - 201302060	7/18/2013 - G75 - (I.O.) 18-18N-23W X165:10-3-28 CLVD (SHREWDER 3-18H) NCT 330' TO SHREWDER 2-18 (045-22250) & SHREWDER 3-18 (045-22278) PRIMARY NATURAL RESOURCES III, LLC REC 4-16-2013 (MCKEOWN)
SPACING - 346643	7/18/2013 - G75 - (640) 18-18N-23W EXT OTHERS EXT 68593 CLVD, OTHER

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.

SECTION 18, T. 18 N., R. 23 W., I.M.
 Ellis County, Oklahoma
SHREWDER 3-18H
WELL LOCATION EXHIBIT
 NAD 83



SCALE
 1" = 1000'
 0 500' 1000'

SECTION LINE CLOSED

FND. 3/8" I.P.
 GEOGRAPHIC - NAD 83
 N 036°02'34.0077"
 W 099°42'09.4015"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 384003.2042
 E: 1465171.2740

FND. 1/2" I.P.
 W/CA6391 CAP
 GEOGRAPHIC - NAD 83
 N 036°02'33.9951"
 W 099°41'05.1355"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 383909.8692
 E: 1470448.0590

BOTTOM WELL LOCATION
 GEOGRAPHIC - NAD 83
 N 036°02'30.7374"
 W 099°41'29.2120"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 383614.8860
 E: 1468465.4299

SURFACE WELL LOCATION
 GEOGRAPHIC - NAD 83
 N 036°01'43.6088"
 W 099°41'28.7048"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 378849.3890
 E: 1468424.0600

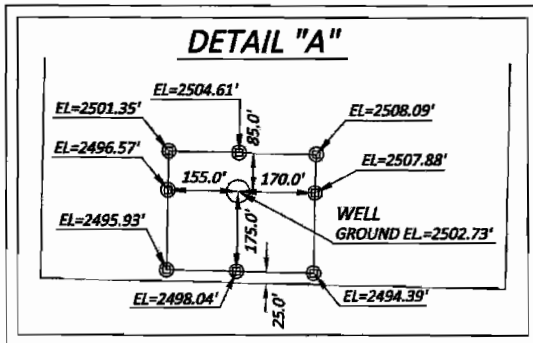
FND. 1/2" I.P.
 W/CA6391 CAP
 GEOGRAPHIC - NAD 83
 N 036°01'41.7067"
 W 099°41'04.5775"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 378622.6242
 E: 1470402.1380

SEE
 DETAIL "A"

18

SECTION LINE CLOSED

FND. 3/8" I.P.
 TSLC 1378 CAP
 GEOGRAPHIC - NAD 83
 N 036°01'41.5003"
 W 099°42'09.1046"
 OKLAHOMA STATE PLANE
 NORTH ZONE - NAD83
 N: 378694.2092
 E: 1465102.5510



- NOTES:
1. WELL LOCATION MARKED WITH T-POST.
 2. LATH SET AT EACH PAD CORNER.
 3. BASIS OF BEARINGS
 OK. STATE PLANE (NORTH ZONE) NAD 83
 4. NAD 27 COORDINATES SHOWN ON SHEET 2
 DERIVED BY CORPSCON V6.0.1.



PROJ. NO. 10,431	SCALE: 1"=1000'
SHEET NO. 1 of 5	CREW G.D. DRAWN: C.L.T.

WELL LOCATION FOR
 PRIMARY NATURAL RESOURCES, L.L.C.
 7134 SOUTH YALE, SUITE 430
 TULSA, OKLAHOMA 74136

DODSON-THOMPSON-MANSFIELD, PLLC
 20 N.E. 38TH STREET • OKLAHOMA CITY, OKLAHOMA 73105
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 Oklahoma Certificate of Authorization No. 6391 • Expires June 30, 2014