

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

API NUMBER: 045 23372 A

Approval Date: 07/18/2013

Expiration Date: 01/18/2014

Horizontal Hole Oil & Gas

Amend reason: CHANGE SURFACE CASING DEPTH

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 19N Rge: 26W

County: ELLIS

SPOT LOCATION: S2 S2 SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 300 660

Lease Name: COATES 35

Well No: 2HM

Well will be 300 feet from nearest unit or lease boundary.

Operator Name: MEWBOURNE OIL COMPANY

Telephone: 9035612900; 4052356

OTC/OCC Number: 6722 0

MEWBOURNE OIL COMPANY

PO BOX 7698

TYLER, TX 75711-7698

LEGACY LAND MANAGEMENT LLC

6808 NEW AUTHON RD

WEATHERFORD TX 76088

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

Name	Depth	Name	Depth
1 DES MOINES	9100	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 142269

Location Exception Orders: 613761

Increased Density Orders: 613685

Pending CD Numbers:

Special Orders:

Total Depth: 13517

Ground Elevation: 2393

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 560

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: 25000 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

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

PERMIT NO: 13-23876

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 35 Twp 19N Rge 26W County ELLIS

Spot Location of End Point: C N2 NW NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 8558

Radius of Turn: 580

Direction: 360

Total Length: 4052

Measured Total Depth: 13517

True Vertical Depth: 9100

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

Notes:

Category	Description
DEEP SURFACE CASING	7/29/2013 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 613685	7/18/2013 - G30 - 35-19N-26W X142269 DSMN 1 WELL MEWBOURNE OIL COMPANY 7/11/13
LOCATION EXCEPTION - 613761	7/18/2013 - G30 - (I.O.) 35-19N-26W X144269 DSMN SHL NCT 200 FSL, NCT 600 FWL POE NCT 330 FSL, NCT 600 FWL BHL NCT 330 FNL, NCT 600 FWL MEWBOURNE OIL COMPANY 7/12/13
SPACING - 142269	7/18/2013 - G30 - (640) 35-19N-26W EXT 136729 DSMN EXT OTHER

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045 23372 COATES 35 2HM