API NUMBER: 129 23652 B

Horizontal Hole Oil & Gas

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

Approval Date: 08/06/2013
Expiration Date: 02/06/2014

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 16N Rge: 25W County: ROGER MILLS

SPOT LOCATION: S2 S2 SW SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **250** **660**

Lease Name: MALSON **Well No: 1-29H** **Well will be 250 feet from nearest unit or lease boundary.**

Operator Name: **APACHE CORPORATION** Telephone: 9184914900 OTC/OCC Number: 6778 0

APACHE CORPORATION
6120 S YALE AVE STE 1500
TULSA, OK 74136-4224

DARRELL L. MALSON & DAWN A. MALSON, HW
ROUTE 1, BOX 10
DURHAM OK 73642

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

	Name	Depth		Name	Depth
1	TONKAWA	8530	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders: 60492
585685

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201304668
201304667

Special Orders:

Total Depth: 13200 Ground Elevation: 2389 **Surface Casing: 680** Depth to base of Treatable Water-Bearing FM: 630

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED
Chlorides Max: 90000 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: 1B
Liner required for Category: 1B
Pit Location is BED AQUIFER
Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-23571
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: 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: OGALLALA

HORIZONTAL HOLE 1

Sec 29 Twp 16N Rge 25W County ROGER MILLS

Spot Location of End Point: N2 N2 NW NW

Feet From: NORTH 1/4 Section Line: 250

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 8012

Radius of Turn: 573

Direction: 1

Total Length: 4766

Measured Total Depth: 13200

True Vertical Depth: 8536

End Point Location from Lease,
Unit, or Property Line: 250

Notes:

Category	Description
MEMO	8/2/2013 - G71 - PITS 1 & 2 - CONCRETE LINED PIT PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201304667	8/2/2013 - G30 - 29-16N-25W X60492/585685 TNKW SHL NCT 100 FSL, NCT 500 FWL 1ST PERF NCT 330 FSL, NCT 560 FWL LAST PERF NCT 330 FNL, NCT 560 FWL NO OP. NAMED REC 7/23/13 (JOHNSON)
PENDING CD - 201304668	8/2/2013 - G30 - 29-16N-25W X60492/585685 TNKW 1 WELL NO OP. NAMED HEARING 8/13/13
SPACING - 585685	8/2/2013 - G30 - (640) 29-16N-25W MODIFY 60492/61385 TNKW, DGLTK SEPARATE AND DISTINCT COMMON SOURCES OF SUPPLY
SPACING - 60492	8/2/2013 - G30 - (640) 29-16N-25W EST TNKW

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