API NUMBER: 129 23878

Oil & Gas

Horizontal Hole

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

Approval Date: 10/04/2013
Expiration Date: 04/04/2014

60 feet from nearest unit or lease boundary.

6778 0

OTC/OCC Number:

PERMIT TO DRILL

| | | | | | | I LIXIVIII | 10 | DIXILL |
|-------------------|----------|------------|----------|---------------|-------------|-----------------------|------|-------------|
| WELL LOCATION | | Twp: 13N | Rge: 25\ | FEET FROM QUA | ARTER: FROI | OGER MILLS SOUTH 60 | FROM | EAST 300 |
| Lease Name: | CHALFANT | | | | Well No | | | |
| Operator Name: | APACHE C | ORPORATION | N | | | Teleph | one: | 9184914900 |
| | | | | | | | | |

MICHAEL S. CHALFANT

P.O. BOX 667

Well will be

HINTON OK 73047

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

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

| | Name | Depth | Name | Depth |
|-----------------|---------|----------------------------|------|---------------------------|
| 1 | DOUGLAS | 9185 6 | | |
| 2 | | 7 | | |
| 3 | | 8 | | |
| 4 | | 9 | | |
| 5 | | 10 |) | |
| Spacing Orders: | 130940 | Location Exception Orders: | | Increased Density Orders: |

Pending CD Numbers: 201305723 Special Orders:

Total Depth: 14500 Ground Elevation: 2147 Surface Casing: 660 Depth to base of Treatable Water-Bearing FM: 610

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? $\quad \mbox{Y}$

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 OTHER HSA
Pit Location Formation: DOXEY

A. Evaporation/dewater and backfilling of reserve pit.

H. SEE MEMO

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-24238

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 OTHER HSA

Pit Location Formation: DOXEY

HORIZONTAL HOLE 1

Sec 14 Twp 13N Rge 25W County ROGER MILLS

Spot Location of End Point: SW SE SE SE Feet From: SOUTH 1/4 Section Line: 300

Feet From: EAST 1/4 Section Line: 600

Depth of Deviation: 8594 Radius of Turn: 573 Direction: 183

Total Length: 5006

Measured Total Depth: 14500

True Vertical Depth: 9377

End Point Location from Lease,
Unit, or Property Line: 300

| Additional Surface Owner | Address | City, State, Zip |
|-------------------------------|------------------------------|--------------------------|
| JOAN MATHERS A.K.A. DALLAS DO | 1924 PINEHURST ROAD | LOS ANGELES, CA 90068 |
| JOAN TARLETON IRREVOC. TRUST | 1924 PINEHURST RD. | LOS ANGELES, CA 90068 |
| TIMOTHY G. CHALFANT | 17059 CR 2630 | BINGER, OK 73009 |
| CHRISTOPHER J. CHALFANT | 14300 TEDESSA TURN | EDMOND, OK 73034 |
| PATRICK CHALFANT | 13530 SOUTH 65TH WEST AVENUE | SAPULPA, OK 74066 |
| KATHERINE E. DORSETT | 1051 CHESTERFIELD CIRCLE | WINTER SPRINGS, FL 32708 |

Notes:

Category Description

MEMO 9/27/2013 - G71 - PIT 1 & 2 - CONCRETE-LINED PIT PER OPERATOR REQUEST; PIT 2 - OBM TO

VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201305723 10/4/2013 - G75 - (I.O.)

X130940 DGLS

SHL NCT 60 FSL, NCT 300 FEL 11-13N-25W

FIRST PERF NCT 300 FNL, NCT 500 FEL 14-13N-25W LAST PERF NCT 300 FSL, NCT 500 FEL 14-13N-25W

NO OP. NAMED

REC 10-2-2013 (JOHNSON)

SPACING - 130940 9/30/2013 - G75 - (640) 14-13N-25W

EXT 106738/130068 DGLS, TNKW (TNKW VAC BY 521922), OTHERS

EXT OTHERS

WATERSHED STRUCTURE 9/27/2013 - G71 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION

WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580)

497-3413 PRIOR TO DRILLING