

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

API NUMBER: 045 23399

Approval Date: 10/07/2013
Expiration Date: 04/07/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 18N Rge: 23W County: ELLIS
SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 200 800

Lease Name: SHREWDER Well No: 1-21H 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 A-B C/O FARMERS NATIONAL
COMPANY
ATTN: MATT FOOS
P. O. BOX 1783
DODGE CITY KS 67801

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

	Name	Depth	Name	Depth
1	TONKAWA	7908	6	
2	CLEVELAND	9302	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201305552
201305553

Special Orders:

Total Depth: 13794 Ground Elevation: 2371 **Surface Casing: 1500** 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: 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: 13-24545
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 21 Twp 18N Rge 23W 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: 8702

Radius of Turn: 600

Direction: 91

Total Length: 4150

Measured Total Depth: 13794

True Vertical Depth: 9302

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

Notes:

Category

Description

DEEP SURFACE CASING

10/3/2013 - 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

MEMO

10/3/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201305552

10/7/2013 - G30 - (640) 21-18N-23W
(HOR) EXT 607265 TNKW, CLVD, OTHERS
(VER) EXT OTHERS
(COEXIST WITH SP. 199071, CLVD, SHREWDER 1-21, API 045-22296)
REC 9/17/13 (JOHNSON)

PENDING CD - 201305553

10/7/2013 - G30 - 21-18N-23W
X201305552 TNKW, CLVD, OTHERS
POE NCT 330 TO SL, NCT 660 TO WL
BHL NCT 330 TO NL, NCT 660 TO WL
NO OP. NAMED
REC 9/17/13 (JOHNSON)

This permit does not address the right of entry or settlement of surface damages.
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