

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

API NUMBER: 125 23833

Approval Date: 11/01/2013
Expiration Date: 05/01/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 8N Rge: 4E

County: POTTAWATOMIE

SPOT LOCATION: NW SE NE NE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1970 2266

Lease Name: LUCY

Well No: 1-14H

Well will be 374 feet from nearest unit or lease boundary.

Operator Name: GILLHAM PAUL OIL COMPANY

Telephone: 4059975780

OTC/OCC Number: 18920 0

GILLHAM PAUL OIL COMPANY
PO Box 699
MAUD, OK 74854-0699

PAUL LUCY
PO BOX 116
MAUD OK 74854

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

Name	Depth	Name	Depth
1 EARLSBORO	3725	6 VIOLA	4375
2 BARTLESVILLE	3850	7	
3 MAYES	3975	8	
4 WOODFORD	4075	9	
5 MISENER-HUNTON	4215	10	

Spacing Orders: 616696

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201306461

Special Orders:

Total Depth: 9261

Ground Elevation: 1072

Surface Casing: 190

Depth to base of Treatable Water-Bearing FM: 140

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 8000 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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: OSCAR

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

E. Haul to Commercial pit facility: Sec. 19 Twn. 8N Rng. 5E Cnty. 125 Order No: 274874

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 14 Twp 8N Rge 4E County POTTAWATOMIE

Spot Location of End Point: S2 S2 NW SW

Feet From: SOUTH 1/4 Section Line: 1350

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 3492

Radius of Turn: 500

Direction: 232

Total Length: 4524

Measured Total Depth: 9261

True Vertical Depth: 4375

End Point Location from Lease,
Unit, or Property Line: 660

Notes:

Category	Description
PENDING CD - 201306461	11/1/2013 - G30 - W2 & NE4 14-8N-4E X201305053 WDFD, MSRH, VIOL COMP. INT. NCT 330 TO EL NE4 & NCT 165 TO NW CORNER OF SE4 NO OP. NAMED REC 10/21/13
SPACING - 616696	11/1/2013 - G30 - (480 HOR) W2 & NE4 14-8N-4E EST ERLB, BRVL, MYES, WDFD, MSRH, VIOL VAC 146238/147153 ERLBU, ERLBL, BRVL (N2) VAC 232125 MSRH, VIOL (N2) VAC 371625 ERLBU, ERLBL, BRVL, MSRH, VIOL (SW4) POE TO BHL NCT 660' FB