

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

API NUMBER: 095 20622

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 6S Rge: 6E County: MARSHALL
SPOT LOCATION: SE SE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 1240 260

Lease Name: SHELBY Well No: 3-2H1 Well will be 260 feet from nearest unit or lease boundary.
Operator Name: XTO ENERGY INC Telephone: 8178852283 OTC/OCC Number: 21003 0

XTO ENERGY INC
810 HOUSTON ST
FORT WORTH, TX 76102

MICHAEL SHELBY & MERRILY SHELBY
6514 SPARLIN ROAD
MADILL OK 73446

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

Name	Depth	Name	Depth
1 WOODFORD	6300	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 576256 Location Exception Orders: 616456 Increased Density Orders: 616654

Pending CD Numbers:

Special Orders:

Total Depth: 12000 Ground Elevation: 756 **Surface Casing: 1990** Depth to base of Treatable Water-Bearing FM: 830

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: AIR

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: BOKCHITO

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 13-24412
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: 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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: BOKCHITO

PIT 3 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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: BOKCHITO

HORIZONTAL HOLE 1

Sec 01 Twp 6S Rge 6E County MARSHALL

Spot Location of End Point: SE NE SE NE

Feet From: NORTH 1/4 Section Line: 1700

Feet From: EAST 1/4 Section Line: 1

Depth of Deviation: 5869

Radius of Turn: 637

Direction: 95

Total Length: 5130

Measured Total Depth: 12000

True Vertical Depth: 6300

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category	Description
DEEP SURFACE CASING	11/1/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 616654	11/5/2013 - G75 - 1-6S-6E X576256 WDFD 7 WELLS XTO ENERGY INC. 10-4-2013

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Category	Description
LOCATION EXCEPTION - 616456	<p>11/5/2013 - G75 - (I.O.) X576256 WDFD SHL 1340 FNL, 300 FEL 2-6S-6E ** FIRST PERF NCT 330 FNL, NCT 165 FWL 1-6S-6E LAST PERF NCT 330 FNL, NCT 165 FEL 1-6S-6E XTO ENERGY INC. 9-30-2013</p> <p>** ITD HAS SHL AS 1240 FNL, 260 FEL 2-6S-6E; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR</p>
MEMO	<p>11/1/2013 - G71 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 3 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT</p>
SPACING - 576256	<p>11/5/2013 - G75 - (640) 1-6S-6E REFORM 40136 WDFD EXT OTHERS</p>

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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.