

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

API NUMBER: 095 20623

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 5S Rge: 6E County: MARSHALL
SPOT LOCATION: SE NE NW NE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2290 1142

Lease Name: JOLLY ROGER Well No: 2-8H Well will be 350 feet from nearest unit or lease boundary.
Operator Name: MERIT ENERGY COMPANY Telephone: 9726281569 OTC/OCC Number: 18934 0

MERIT ENERGY COMPANY
13727 NOEL RD STE 1200
DALLAS, TX 75240-7312

HAROLD GENE & MARY MARGARET WATKINS
REVOCABLE TRUST
P. O. BOX 807
MADILL OK 73446

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

Name	Depth	Name	Depth
1 WOODFORD	8002	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 531472

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201306456
201306457

Special Orders:

Total Depth: 13793

Ground Elevation: 790

Surface Casing: 920

Depth to base of Treatable Water-Bearing FM: 820

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 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: CADD0

Approved Method for disposal of Drilling Fluids:

F. Haul to Commercial soil farming facility: Sec. 28 Twn. 5S Rng. 3W Cnty. 19 Order No: 533041

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 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: CADDO

HORIZONTAL HOLE 1

Sec 08 Twp 5S Rge 6E County MARSHALL

Spot Location of End Point: S2 NE NE NE

Feet From: NORTH 1/4 Section Line: 350

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 8000

Radius of Turn: 90

Direction: 359

Total Length: 5114

Measured Total Depth: 13794

True Vertical Depth: 8217

End Point Location from Lease,
Unit, or Property Line: 350

Notes:

Category

Description

MEMO

11/5/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201306456

11/5/2013 - G30 - 8-5S-6E
X531472 WDFD, OTHERS
SHL NFT 400 FNL, NCT 330 FEL 17-5S-6E
1ST PERF NCT 165 FSL, NCT 330 FEL 8-5S-6E
LAST PERF NCT 165 FNL, NCT 330 FEL 8-5S-6E
NO OP. NAMED
REC 10/22/13 (LEAVITT)

PENDING CD - 201306457

11/5/2013 - G30 - 8-5S-6E
X531472 WDFD
2 WELLS
NO OP. NAMED
REC 10/22/13 (LEAVITT)

SPACING - 531472

11/5/2013 - G30 - (640) 8-5S-6E
EST WDFD, OTHERS

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