

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

API NUMBER: 095 20624

Approval Date: 11/07/2013
Expiration Date: 05/07/2014

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 NORTH FROM EAST
SECTION LINES: 350 1513

Lease Name: JOLLY ROGER Well No: 3H-8X 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

LEWIS SHAW ENTERPRISES LP
P. O. BOX 929
MADILL OK 73446

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

Name	Depth	Name	Depth
1 WOODFORD	8125	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 563779
531472

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201306460
201306459
201306455
201306458
201306457

Special Orders:

Total Depth: 15184 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: CADDO

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 05 Twp 5S Rge 6E County MARSHALL

Spot Location of End Point: SE SE NW SE

Feet From: SOUTH 1/4 Section Line: 1400

Feet From: EAST 1/4 Section Line: 1530

Depth of Deviation: 8669

Radius of Turn: 90

Direction: 359

Total Length: 6809

Measured Total Depth: 15184

True Vertical Depth: 8375

End Point Location from Lease,
Unit, or Property Line: 1400

Notes:

Category

Description

MEMO

11/6/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201306455

11/6/2013 - G30 - 8-5S-6E
X531472 WDFD, OTHERS
SHL NFT 400 FNL, NCT 1320 FEL 17-5S-6E
1ST PERF NCT 165 FSL, NCT 1320 FEL 8-5S-6E
LAST PERF NCT 0 FNL, NCT 1320 FEL 8-5S-6E
NO OP. NAMED
REC 10/22/13 (LEAVITT)

PENDING CD - 201306457

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

PENDING CD - 201306458

11/6/2013 - G30 - 5-5S-6E
X563779 WDFD
1 WELL
NO OP. NAMED
REC 10/22/13 (LEAVITT)

PENDING CD - 201306459

11/6/2013 - G30 - 5-5S-6E
X563779 WDFD, OTHERS
1ST PERF NCT 0 FSL, NCT 1320 FEL
LAST PERF NFT 1600 FSL, NCT 1320 FEL
NO OP. NAMED
REC 10/22/13 (LEAVITT)

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Category	Description
PENDING CD - 201306460	11/6/2013 - G30 - 5 & 8-5S-6E X563779 WDFD, OTHERS 5-5S-6E X531472 WDFD, OTHERS 8-5S-6E EST MULTIUNIT FOR HORIZONTAL WELL PER OCC 165:5-7-62 8-5S-6E (76%) 5-5S-6E (24%) NO OP. NAMED REC 10/22/13 (LEAVITT)
SPACING - 531472	11/6/2013 - G30 - (640) 8-5S-6E EST WDFD, OTHERS
SPACING - 563779	11/6/2013 - G30 - (640) 5-5S-6E EXT 551542 WDFD, OTHERS

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