

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

API NUMBER: 129 23891

Approval Date: 11/13/2013
Expiration Date: 05/13/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 12N Rge: 26W

County: ROGER MILLS

SPOT LOCATION: SE SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 250 550

Lease Name: DAVIS

Well No: 3-7H

Well will be 250 feet from nearest unit or lease boundary.

Operator Name: APACHE CORPORATION

Telephone: 9184914900

OTC/OCC Number: 6778 0

APACHE CORPORATION
6120 S YALE AVE STE 1500
TULSA, OK 74136-4224

GEORGE AND DOROTHY L. WALKER LIFE ESTATE C/O
BILLY DEAN WALKER
BOX 432
WHEELER TX 79096

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

Name	Depth	Name	Depth
1 DES MOINES	12509	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 171758

Location Exception Orders: 617549

Increased Density Orders: 617911

Pending CD Numbers:

Special Orders:

Total Depth: 17500

Ground Elevation: 2396

Surface Casing: 880

Depth to base of Treatable Water-Bearing FM: 780

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 25000 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 13-24845

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: ON SITE
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: 3
Liner required for Category: 3
Pit Location is BED AQUIFER
Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 07 Twp 12N Rge 26W County ROGER MILLS
Spot Location of End Point: E2 NW NW NW
Feet From: NORTH 1/4 Section Line: 330
Feet From: WEST 1/4 Section Line: 550
Depth of Deviation: 12170
Radius of Turn: 573
Direction: 2
Total Length: 4683
Measured Total Depth: 17500
True Vertical Depth: 12585
End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Table with 2 columns: Category, Description. Contains notes on INCREASED DENSITY, LOCATION EXCEPTION, MEMO, and SPACING.

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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.