

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

API NUMBER: 095 20629

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

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 1112

Lease Name: CALICO JACK Well No: 3-17H 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	8062	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 532639

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201307011
201307010

Special Orders:

Total Depth: 13752

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: CHICKASHA

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: CHICKASHA

HORIZONTAL HOLE 1

Sec 17 Twp 5S Rge 6E County MARSHALL

Spot Location of End Point: SW SW SE SE

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 1440

Depth of Deviation: 8630

Radius of Turn: 93

Direction: 179

Total Length: 5122

Measured Total Depth: 13752

True Vertical Depth: 8212

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

Notes:

Category	Description
MEMO	11/7/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201307010	11/7/2013 - G30 - 17-5S-6E X532639 WDFD 4 WELLS NO OP. NAMED REC 11/12/13 (CANDLER)
PENDING CD - 201307011	11/7/2013 - G30 - 17-5S-6E X532639 WDFD, OTHERS SHL NCT 330 FNL, NCT 1320 FEL 1ST PERF NCT 165 FNL, NCT 660 FEL LAST PERF NCT 165 FSL, NCT 660 FEL NO OP. NAMED REC 11/12/13 (CANDLER)
SPACING - 532639	11/7/2013 - G30 - (640) 17-5S-6E EXT 531472 WDFD, OTHERS

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