

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

API NUMBER: 019 25811 A

Approval Date: 11/22/2013
Expiration Date: 05/22/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 4S Rge: 3E County: CARTER
SPOT LOCATION: ☐ NE ☐ SW ☐ NW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 800 360

Lease Name: NICKEL HILL Well No: 2-1H36 Well will be 360 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 76102-6203

NICKEL HILL LAND & CATTLE COMPANY
1023 LANDMARK ROAD
ARDMORE OK 73401

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

Name	Depth	Name	Depth
1 WOODFORD	9790	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 142014 Location Exception Orders: 605354 Increased Density Orders: 605453

Pending CD Numbers: Special Orders:

Total Depth: 15500 Ground Elevation: 701 Surface Casing: 1955 Depth to base of Treatable Water-Bearing FM: 1050

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 located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-21995

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: 5000 Average: 3000

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: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 36 Twp 3S Rge 3E County CARTER

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 380

Depth of Deviation: 9153

Radius of Turn: 637

Direction: 1

Total Length: 5346

Measured Total Depth: 15500

True Vertical Depth: 10200

End Point Location from Lease,

Unit, or Property Line: 1

Notes:

Category

Description

DEEP SURFACE CASING

11/22/2013 - 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 - 605453

11/22/2013 - G75 - 36-3S-3E
X142014 WDFD
1 WELL
XTO ENERGY INC.
12-13-2012

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019 25811 NICKEL HILL 2-1H36

Category	Description
LOCATION EXCEPTION - 605354	11/22/2013 - G75 - (I.O.) X142014 WDFD SHL 800 FNL, 360 FWL 1-4S-3E FIRST PERF NCT 165 FSL, NCT 330 FWL 36-3S-3E LAST PERF NCT 165 FNL, NCT 330 FWL 36-3S-3E XTO ENERGY INC. 12-12-2012
MEMO	11/22/2013 - G71 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS (REQUIRED, WASHITA RIVER); PIT 3 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT
SPACING - 142014	11/22/2013 - G75 - (640) 36-3S-3E EST WDFD, OTHERS