

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

API NUMBER: 039 22420

Approval Date: 12/02/2013

Expiration Date: 06/02/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 14N Rge: 19W

County: CUSTER

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 200 800

Lease Name: HAGGARD

Well No: 1-12H

Well will be 200 feet from nearest unit or lease boundary.

Operator Name: PRIMARY NATURAL RESOURCES III LLC

Telephone: 9184950598

OTC/OCC Number: 22514 0

PRIMARY NATURAL RESOURCES III LLC
7134 S YALE AVE STE 430
TULSA, OK 74136-6351

LARRY A. HAGGARD
101 ROLLING HILLS DRIVE
CLINTON OK 73601

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

Name	Depth	Name	Depth
1 CLEVELAND	10171	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 614754

Location Exception Orders: 615550

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14623

Ground Elevation: 1772

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 10000 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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

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

PERMIT NO: 13-25009

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 12 Twp 14N Rge 19W County CUSTER

Spot Location of End Point: W2 NE NW NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 800

Depth of Deviation: 9575

Radius of Turn: 600

Direction: 360

Total Length: 4105

Measured Total Depth: 14623

True Vertical Depth: 10171

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

12/2/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

LOCATION EXCEPTION - 615550

12/2/2013 - G75 - (I.O.) 12-14N-19W
X614754 CLVD, OTHERS
POE NCT 330 TO SL, NCT 660 TO WL
BHL NCT 330 TO NL, NCT 660 TO WL
PRIMARY NATURAL RESOURCES III, LLC
9-6-2013

MEMO

12/2/2013 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 614754

12/2/2013 - G75 - (640)(HOR) 12-14N-19W
EST CLVD, OTHERS
POE TO BHL NLT 660' FB, NCT 600' FWB
(SUPERSEDE SP. ORDER # 221215 CLVD, OTHERS)

This permit does not address the right of entry or settlement of surface damages.

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039 22420 HAGGARD 1-12H