

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

API NUMBER: 019 26025

Approval Date: 12/20/2013  
Expiration Date: 06/20/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 3S Rge: 3E County: CARTER  
SPOT LOCATION:  NW  NW  NE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 295 1200

Lease Name: GREENWAY Well No: 2-35H26 Well will be 295 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 CO.  
1023 LANDMARK ROAD  
ARDMORE OK 73401

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

| Name       | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 WOODFORD | 7100  | 6    |       |
| 2          |       | 7    |       |
| 3          |       | 8    |       |
| 4          |       | 9    |       |
| 5          |       | 10   |       |

Spacing Orders: 142014

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201308253  
201308251

Special Orders:

Total Depth: 14400

Ground Elevation: 737

**Surface Casing: 1990**

Depth to base of Treatable Water-Bearing FM: 840

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)

H. SEE MEMO

PERMIT NO: 13-25123

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 26 Twp 3S Rge 3E County CARTER

Spot Location of End Point: NW NW NE NE

Feet From: NORTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 1150

Depth of Deviation: 8283

Radius of Turn: 637

Direction: 1

Total Length: 5116

Measured Total Depth: 14400

True Vertical Depth: 9050

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

Notes:

| Category            | Description  |
|---------------------|--|
| DEEP SURFACE CASING | 12/18/2013 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING |
| MEMO                | 12/18/2013 - G71 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 3 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT   |

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| Category               | Description   |
|------------------------|---|
| PENDING CD - 201308251 | 12/20/2013 - G75 - (E.O.) 26-3S-3E<br>X142014 WDFD<br>1 WELL<br>XTO ENERGY INC.<br>REC 12-17-2013 (OSBURN)  |
| PENDING CD - 201308253 | 12/20/2013 - G75 - (E.O.)<br>X142014 WDFD<br>SHL 315 FNL, 1200 FEL 35-3S-3E **<br>FIRST PERF NCT 165 FSL, NCT 1050 FEL 26-3S-3E<br>LAST PERF NCT 165 FNL, NCT 1050 FEL 26-3S-3E<br>XTO ENERGY INC.<br>REC 12-17-2013 (OSBURN) |
|                        | ** ITD HAS SHL AS 295 FNL, 1200 FEL 35-3S-3E; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR  |
| SPACING - 142014       | 12/20/2013 - G75 - (640) 26-3S-3E<br>EST WDFD, OTHERS   |

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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.