

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

API NUMBER: 039 22425

Approval Date: 01/10/2014

Expiration Date: 07/10/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 13N Rge: 20W County: CUSTER

SPOT LOCATION:     FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 207 1984

Lease Name: ARCHER Well No: 3-5H Well will be 207 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

KERRY LEE ARCHER  
9520 NORTH 2040 ROAD  
HAMMON OK 73650

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

Name	Depth	Name	Depth
1 CLEVELAND	10836	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 602137

Location Exception Orders: 614667

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15327

Ground Elevation: 1827

**Surface Casing: 1500**

Depth to base of Treatable Water-Bearing FM: 490

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: 100000 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 14-26138

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 05 Twp 13N Rge 20W County CUSTER

Spot Location of End Point: C N2 NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 10236

Radius of Turn: 600

Direction: 1

Total Length: 4148

Measured Total Depth: 15327

True Vertical Depth: 11236

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

Additional Surface Owner	Address	City, State, Zip
BRENDA ANNE ARCHER	9502 NORTH 2040 ROAD	HAMMON, OK 73650
TERRY CLYDE ARCHER	208 GROVE AVE.	ELK CITY, OK 73644

Notes:

Category

Description

DEEP SURFACE CASING

1/9/2014 - 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 - 614667

1/10/2014 - G75 - (I.O.) 5-13N-20W  
X602137 CLVD, OTHERS  
POE NCT 330 TO SL, NCT 1800 TO EL  
BHL NCT 330 TO NL, NCT 1800 TO EL  
PRIMARY NATURAL RESOURCES III, LLC  
8-8-2013

MEMO

1/9/2014 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 602137

1/10/2014 - G75 - (640)(HOR) 5-13N-20W  
EST CLVD, OTHERS  
COMPL. INT. NLT 660' FB, NCT 600' FWB  
(SUPERSEDE SP. ORDER # 190138 CLVD, OTHERS)

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

039 22425 ARCHER 3-5H

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

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