

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

API NUMBER: 129 23909

Approval Date: 01/22/2014

Expiration Date: 07/22/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 12N Rge: 23W

County: ROGER MILLS

SPOT LOCATION: SW SE SE SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 181 519

Lease Name: TAYLOR 19-12-22

Well No: 1H

Well will be 181 feet from nearest unit or lease boundary.

Operator Name: APACHE CORPORATION

Telephone: 9184914900

OTC/OCC Number: 6778 0

APACHE CORPORATION
6120 S YALE AVE STE 1500
TULSA, OK 74136-4224

TAYLOR REAL ESTATE PARTNERSHIP
19847 E 1060 RD
ELK CITY OK 73644

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	10153	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 122217

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201308617
201400378

Special Orders:

Total Depth: 15000

Ground Elevation: 1918

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 570

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 25000 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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: CLOUD CHIEF

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 13-26082

H. CONCRETE LINED PIT PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 19 Twp 12N Rge 22W County BECKHAM

Spot Location of End Point: NW NE NW NW

Feet From: NORTH 1/4 Section Line: 200

Feet From: WEST 1/4 Section Line: 900

Depth of Deviation: 9821

Radius of Turn: 573

Direction: 4

Total Length: 4762

Measured Total Depth: 15000

True Vertical Depth: 10225

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category	Description
DEEP SURFACE CASING	12/27/2013 - G30 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
PENDING CD - 201308617	12/27/2013 - G30 - (E.O.) 19-12N-22W SHL NCT 10 FSL, NCT 10 FWL** 1ST PERF NCT 300 FSL, NCT 500 FWL LAST PERF NCT 300 FNL, NCT 500 FWL NO OP. NAMED REC 1/6/14 (JOHNSON) **SHL TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR
PENDING CD - 201400378	1/22/2014 - G30 - 19-12N-22W X122217 CGGV 1 WELL NO OP. NAMED HEARING 2/11/14
WATERSHED STRUCTURE	12/27/2013 - G30 - SITE WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE CONSERVATION COMMISSION DISTRICT OFFICE AT 580-497-3413 PRIOR TO DRILLING