

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

API NUMBER: 045 23430

Approval Date: 01/30/2014
Expiration Date: 07/30/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 18N Rge: 23W County: ELLIS
SPOT LOCATION: N2 N2 NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 100 660

Lease Name: SHREWDER Well No: 4-18H Well will be 100 feet from nearest unit or lease boundary.
Operator Name: PPP PETROLEUM LP Telephone: 2142316832 OTC/OCC Number: 23356 0

PPP PETROLEUM LP
2101 CEDAR SPRINGS RD STE 1800
DALLAS , TX 75201-1585

SHREWDER TRUST
P.O. BOX 454
SPEARVILLE KS 67876

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

| Name | Depth | Name | Depth |
|-------------|-------|------|-------|
| 1 CLEVELAND | 9200 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 346643

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201400145
201400143

Special Orders:

Total Depth: 14185

Ground Elevation: 2464

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 630

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: 15000 Average: 8000

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: OGALLALA

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

PERMIT NO: 13-26045

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: OGALLALA

HORIZONTAL HOLE 1

Sec 18 Twp 18N Rge 23W County ELLIS

Spot Location of End Point: C N2 NE NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 8351

Radius of Turn: 773

Direction: 360

Total Length: 4620

Measured Total Depth: 14185

True Vertical Depth: 9262

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

Notes:

Category

Description

DEEP SURFACE CASING

1/28/2014 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

MEMO

1/28/2014 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201400143

1/30/2014 - G75 - (E.O.) 18-18N-23W
X346643 CLVD
1 WELL
PPP PETROLEUM, LP
REC 1-21-2014 (MCKEOWN)

PENDING CD - 201400145

1/30/2014 - G75 - (E.O.) 18-18N-23W
X346643 CLVD
COMPL. INT. NCT 165 TO SL, NCT 330 TO NL, NCT 600 TO EL
PPP PETROLEUM, LP
REC 1-21-2014 (MCKEOWN)

SPACING - 346643

1/30/2014 - G75 - (640) 18-18N-23W
EXT OTHERS
EXT 68593 CLVD, OTHER

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