API NUMBER:	085 21210	A

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

Approval Date:	01/31/2014
Expiration Date:	07/31/2014

Horizontal Hole   Oil & Gas

Amend reason: AMEND SHL

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 7S Rge: 1E   County: LOVE

SPOT LOCATION: | NW | NW | NE | NE | FEET FROM QUARTER: FROM **NORTH**   FROM **EAST**
SECTION LINES: **325**   **1050**

Lease Name: **NANCY**   Well No: 1-23H14   Well will be   325   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

TJ & JOY DAVIDSON
7899 PUTMAN ROAD
MARIETTA   OK   73448

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

	Name	Depth		Name	Depth
1	CANEY	14000	6		
2	WOODFORD	15400	7		
3	HUNTON	15680	8		
4	SYLVAN	15750	9		
5			10		

Spacing Orders: 619772

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201400082
201400085

Special Orders:

Total Depth: 21500   Ground Elevation: 877   **Surface Casing: 1990**   Depth to base of Treatable Water-Bearing FM: 210

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)   PERMIT NO: 14-26324
H. SEE MEMO

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 not** located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is   NON HSA

Pit Location Formation: CADDO

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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 not**   located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is   NON HSA

Pit Location Formation: CADDO

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 not**   located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is   NON HSA

Pit Location Formation: CADDO

HORIZONTAL HOLE 1

Sec   14   Twp 7S   Rge 1E   County   LOVE

Spot Location of End Point: NW   NE   NE   NE

Feet From: NORTH   1/4 Section Line: 1

Feet From: EAST   1/4 Section Line: 400

Depth of Deviation: 14500

Radius of Turn: 1000

Direction: 359

Total Length: 5115

Measured Total Depth: 21500

True Vertical Depth: 16500

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

Notes:

Category	Description
DEEP SURFACE CASING	1/30/2014 - G71 - 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
MEMO	1/30/2014 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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.

Category	Description
PENDING CD - 201400082	1/31/2014 - G30 - (640) 14-7S-1E EXT 619772 CNEY, WDFD, HNTN, SLVN, OTHER EXT OTHER EST OTHERS REC 1/27/14 (LEAVITT)
PENDING CD - 201400085	1/31/2014 - G30 - 14-7S-1E X201400082 CNEY, WDFD, HNTN, SLVN SHL 325 FNL, 1020 FEL 23-7S-1E** COMP. INT. NCT 165 FSL, NCT 165 FNL, NCT 400 FEL 14-7S-1E NO OP. NAMED REC 1/27/14 (LEAVITT) **SHL TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR