

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

API NUMBER: 129 23918

Approval Date: 02/07/2014
Expiration Date: 08/07/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 16N Rge: 22W County: ROGER MILLS
SPOT LOCATION: W2 SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 330 2210

Lease Name: TEAGUE 23-16-22 Well No: 3H Well will be 330 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

JEANNE HENRY (1/3)
P.O. BOX 604
CANUTE OK 73626

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

Name	Depth	Name	Depth
1 TONKAWA	8349	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 587450 Location Exception Orders: 619700 Increased Density Orders: 619699

Pending CD Numbers:

Special Orders:

Total Depth: 13200 Ground Elevation: 2003 **Surface Casing: 650** Depth to base of Treatable Water-Bearing FM: 440

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: 8000 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: 14-26286

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: ON SITE
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: 3
Liner required for Category: 3
Pit Location is AP/TE DEPOSIT
Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 23 Twp 16N Rge 22W County ROGER MILLS
Spot Location of End Point: N2 N2 NW NE
Feet From: NORTH 1/4 Section Line: 200
Feet From: EAST 1/4 Section Line: 1980
Depth of Deviation: 8000
Radius of Turn: 573
Direction: 1
Total Length: 4710
Measured Total Depth: 13200
True Vertical Depth: 8397
End Point Location from Lease,
Unit, or Property Line: 200

Table with 3 columns: Additional Surface Owner, Address, City, State, Zip. Rows include SHIRLEY TEAGUE (1/3) and TEAGUE LP, BENEFIT OF TRELA S.

Notes:

Table with 2 columns: Category, Description. Rows include INCREASED DENSITY - 619699, LOCATION EXCEPTION - 619700, MEMO, and SPACING - 587450.

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.