

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

API NUMBER: 129 23919

Approval Date: 02/12/2014
Expiration Date: 08/12/2014

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: 175 543

Lease Name: TAYLOR 24-12-23 Well No: 1H Well will be 175 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 ROAD
ELK CITY OK 73644

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	10250	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 187300

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201400171

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)

H. SEE MEMO

PERMIT NO: 13-26077

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 BED AQUIFER
Pit Location Formation: CLOUD CHIEF

HORIZONTAL HOLE 1

Sec 24 Twp 12N Rge 23W County ROGER MILLS
Spot Location of End Point: NW NE NE NE
Feet From: NORTH 1/4 Section Line: 250
Feet From: EAST 1/4 Section Line: 500
Depth of Deviation: 9747
Radius of Turn: 573
Direction: 1
Total Length: 4849
Measured Total Depth: 15000
True Vertical Depth: 10250
End Point Location from Lease,
Unit, or Property Line: 250

Notes:

Table with 2 columns: Category, Description. Rows include DEEP SURFACE CASING, MEMO, PENDING CD - 201400171, SPACING - 187300, and WATERSHED STRUCTURE.

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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.