

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

API NUMBER: 039 22429

Approval Date: 03/25/2014

Expiration Date: 09/25/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 12N Rge: 20W

County: CUSTER

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 220 600

Lease Name: SIMON 31-12-20

Well No: 1H

Well will be 220 feet from nearest unit or lease boundary.

Operator Name: APACHE CORPORATION

Telephone: 9184914900; 9184914

OTC/OCC Number: 6778 0

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

JOHN AND MARKET SIMON
1202 COLORADO AVE.
ELK CITY OK 73644

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

Name	Depth	Name	Depth
1 HOXBAR	10177	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 130975

Location Exception Orders: 622229

Increased Density Orders: 622292

Pending CD Numbers:

Special Orders:

Total Depth: 15200

Ground Elevation: 1966

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 470

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: ELK CITY

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 14-26261

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: 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: ELK CITY

HORIZONTAL HOLE 1

Sec 31 Twp 12N Rge 20W County CUSTER

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 200

Feet From: EAST 1/4 Section Line: 600

Depth of Deviation: 9630

Radius of Turn: 573

Direction: 360

Total Length: 4833

Measured Total Depth: 15200

True Vertical Depth: 10222

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

Notes:

Category

Description

DEEP SURFACE CASING

3/18/2014 - 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

INCREASED DENSITY - 622292

3/25/2014 - G30 - 31-12N-20W
X130975HXBR
2 WELLS
APACHE CORPORATION
3/6/14

LOCATION EXCEPTION - 622229

3/25/2014 - G30 - (I.O.) 31-12N-20W
X130975 HXBR
SHL NCT 10 FSL, NCT 10 FEL
1ST PERF NCT 300 FSL, NCT 500 FEL
LAST PERF NCT 300 FNL, NCT 500 FEL
APACHE CORPORATION
3/4/14

MEMO

3/18/2014 - G71 - PITS 1 & 2 - CONCRETE LINED PIT PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 130975

3/25/2014 - G30 - (640) 31-12N-20W
EST HXBR, OTHERS
EXT OTHERS

This permit does not address the right of entry or settlement of surface damages.

039 22429 SIMON 31-12-20 1H

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.