

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

API NUMBER: 119 24202

Approval Date: 03/27/2014
Expiration Date: 09/27/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 19N Rge: 2E County: PAYNE
SPOT LOCATION: NE SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 348 325

Lease Name: CLARY 35-26 19N 2E Well No: 2WH Well will be 325 feet from nearest unit or lease boundary.
Operator Name: AMERICAN ENERGY-WOODFORD LLC Telephone: 4054188001; 4054188 OTC/OCC Number: 23358 0

AMERICAN ENERGY-WOODFORD LLC
PO BOX 18756
OKLAHOMA CITY, OK 73154-0756

JOHN J. VOCKER, JR
4713 E. BELMONT ST.
SIOUX FALLS SD 57110

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	4400	6	
2	WOODFORD	4475	7	
3	MISENER-HUNTON	4550	8	
4			9	
5			10	

Spacing Orders: 622940

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201401279
201401281
201401278
201401280

Special Orders:

Total Depth: 14250 Ground Elevation: 943 **Surface Casing: 260** Depth to base of Treatable Water-Bearing FM: 210

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

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: 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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: OSCAR

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26404
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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.

HORIZONTAL HOLE 1

Sec 26 Twp 19N Rge 2E County PAYNE

Spot Location of End Point: N2 NE NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 3200

Radius of Turn: 958

Direction: 359

Total Length: 9545

Measured Total Depth: 14250

True Vertical Depth: 4550

End Point Location from Lease,
Unit, or Property Line: 165

Additional Surface Owner	Address	City, State, Zip
NATHAN BELLER	1704 S. PERKINS ROAD	STILLWATER, OK 74074

Notes:

Category	Description
PENDING CD - 201401278	3/25/2014 - G75 - (640)(HOR) 26-19N-2E EXT 619173 MSSP, WDFD, MSRH POE TO BHL (MSSP, MSRH) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB REC 3-10-2014 (JOHNSON)
PENDING CD - 201401279	3/25/2014 - G75 - (I.O.) 26 & 35-19N-2E EST MULTIUNIT HORIZONTAL WELL X201401278 MSSP, WDFD, MSRH 26-19N-2E X622940 MSSP, WDFD, MSRH, 35-19N-2E (MSSP & MSRH ARE ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD) 54.1% 26-19N-2E 45.9% 35-19N-2E AMERICAN ENERGY - WOODFORD, LLC REC 3-14-2014 (JOHNSON)
PENDING CD - 201401280	3/25/2014 - G75 - (I.O.) 26-19N-2E X201401278 MSSP, WDFD, MSRH FIRST PERF NCT 0 FSL, NCT 330 FEL LAST PERF NCT 165 FNL, NCT 330 FEL NO OP. NAMED REC 3-14-2014 (JOHNSON)
PENDING CD - 201401281	3/25/2014 - G75 - (I.O.) 35-19N-2E X622940 MSSP, WDFD, MSRH FIRST PERF NCT 165 FSL, NCT 330 FEL LAST PERF NCT 0 FNL, NCT 330 FEL NO OP. NAMED REC 3-14-2014 (JOHNSON)
SPACING - 622940	3/25/2014 - G75 - (640)(HOR) 35-19N-2E VAC 219439 MISS, MSNR EXT 619173 MSSP, WDFD, MSRH POE TO BHL (MSSP, MSRH) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB