

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

API NUMBER: 119 24205

Approval Date: 04/03/2014  
Expiration Date: 10/03/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 18N Rge: 4E County: PAYNE  
SPOT LOCATION: SW SE SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 265 2080

Lease Name: HILL 29 18N 4E Well No: 3MH Well will be 265 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

GAIL D HILL REVOCABLE TRUST  
7909 W 9TH ST  
RIPLEY OK 74062

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	3975	6
2			7
3			8
4			9
5			10

Spacing Orders: 622632

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201401635

Special Orders:

Total Depth: 8900

Ground Elevation: 915

**Surface Casing: 240**

Depth to base of Treatable Water-Bearing FM: 180

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 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? Y

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-26829

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 29 Twp 18N Rge 4E County PAYNE

Spot Location of End Point: N2 NE NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 2310

Depth of Deviation: 3300

Radius of Turn: 70

Direction: 180

Total Length: 4200

Measured Total Depth: 8900

True Vertical Depth: 4200

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

Notes:

Category	Description
PENDING CD - 201401635	4/2/2014 - G30 - 29-18N-4E X201400541 MSSP 1ST PERF NCT 165 FNL, NCT 330 FWL LAST PERF NCT 165 FSL, NCT 330 FWL NO OP. NAMED REC 3/28/14 (JOHNSON)
SPACING - 622632	4/2/2014 - G30 - (640) 29-18N-4E EXT 617455 MSSP, OTHER
WELLHEAD PROTECTION AREA	4/2/2014 - G71 - RIPLEY PWA - 1 WPA, NE/4 29-T18N-R4E