

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

API NUMBER: 119 24208

Approval Date: 04/07/2014
Expiration Date: 10/07/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 17N Rge: 3E County: PAYNE
SPOT LOCATION: SW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 403 379

Lease Name: **BAKER 2 17N 3E** Well No: **1WH** Well will be **379** 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

BAKER LAND AND CATTLE CO., LLC
12411 S MEHAN ROAD
PERKINS OK 74059

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

Name	Depth	Name	Depth
1 WOODFORD	4310	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders: _____

Increased Density Orders: _____

Pending CD Numbers: 201402020
201402022

Special Orders: _____

Total Depth: 9300 Ground Elevation: 895 **Surface Casing: 350** Depth to base of Treatable Water-Bearing FM: 300

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

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? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26867
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 02 Twp 17N Rge 3E County PAYNE

Spot Location of End Point: S2 SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 3600

Radius of Turn: 1000

Direction: 180

Total Length: 4750

Measured Total Depth: 9750

True Vertical Depth: 4450

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

Notes:

Category	Description
PENDING CD - 201402020	4/7/2014 - G30 - (640 HOR) 2-17N-3E EXT 611425 WDFD, OTHERS POE TO BHL NLT 330' FB REC 4/7/14 (MCKEOWN, PER OPERATOR)
PENDING CD - 201402022	4/7/2014 - G30 - 2-17N-3E X201402020 WDFD 1ST PERF NCT 165 FSL, NCT 330 FEL LAST PERF NCT 165 FNL, NCT 330 FEL NO OP. NAMED REC 4/7/14 (MCKEOWN, PER OPERATOR)