

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

API NUMBER: 039 22431

Approval Date: 04/07/2014

Expiration Date: 10/07/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 15N Rge: 17W

County: CUSTER

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2310 1980

Lease Name: KINCAID

Well No: 1-22H

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: FELIX ENERGY LLC

Telephone: 7209742062

OTC/OCC Number: 23331 0

FELIX ENERGY LLC
1530 16TH ST STE 500
DENVER , CO 80202-1467

AGNES HOELKER
1117 GARTRELL PL.
WEATHERFORD OK 73096

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8700	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 164771

Location Exception Orders: 621827

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13880

Ground Elevation: 1858

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 450

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: Yes

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 14-26797

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 22 Twp 15N Rge 17W County CUSTER

Spot Location of End Point: C N2 NE NW

Feet From: SOUTH 1/4 Section Line: 2310

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 8346

Radius of Turn: 446

Direction: 360

Total Length: 4833

Measured Total Depth: 13880

True Vertical Depth: 8719

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

3/31/2014 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

LOCATION EXCEPTION - 621827

4/7/2014 - G75 - (I.O.) 22-15N-17W
X164771 CGGV
COMPL. INT. NCT 300 FSL, NCT 300 FNL, NCT 1000 FWL
FELIX ENERGY, LLC
2-21-2014

SPACING - 164771

4/7/2014 - G75 - (640) 22-15N-17W
EXT 134590 CGGV, OTHERS
EXT OTHERS
EST OTHERS

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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.

039 22431 KINCAID 1-22H