

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

API NUMBER: 045 23456 A

Approval Date: 03/28/2014  
Expiration Date: 09/28/2014

Horizontal Hole Oil & Gas

Amend reason: ADD OIL-BASED MUD

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 19N Rge: 25W

County: ELLIS

SPOT LOCATION: ☐ SW ☐ SE ☐ SW ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 220 840

Lease Name: KENNY

Well No: 1-24HA

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

Operator Name: TRIAD ENERGY INC

Telephone: 4058424312

OTC/OCC Number: 10399 0

TRIAD ENERGY INC  
6 NE 63RD ST STE 220  
OKLAHOMA CITY, OK 73105-1401

KENNETH KNOWLES & CHARLENE KNOWLES,  
TRUSTEES  
HCR 63, BOX 6  
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 CLEVELAND	8790	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 262130

Location Exception Orders: 602147  
616187

Increased Density Orders: 622611

Pending CD Numbers: 201204869

Special Orders:

Total Depth: 14000

Ground Elevation: 2333

**Surface Casing: 800**

Depth to base of Treatable Water-Bearing FM: 550

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: 100000 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: OGALLALA

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

H. SEE MEMO

PERMIT NO: 14-27164

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: 50000 Average: 30000

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: OGALLALA

HORIZONTAL HOLE 1

Sec 24 Twp 19N Rge 25W County ELLIS

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 250

Feet From: WEST 1/4 Section Line: 710

Depth of Deviation: 7949

Radius of Turn: 895

Direction: 181

Total Length: 4645

Measured Total Depth: 14000

True Vertical Depth: 8905

End Point Location from Lease,  
Unit, or Property Line: 250

Notes:

Category

Description

INCREASED DENSITY - 622611

3/28/2014 - G75 - 24-19N-25W  
X262130 CLVD  
1 WELL  
NO OP. NAMED  
3-13-2014

LOCATION EXCEPTION - 602147

3/28/2014 - G75 - (I.O.) 24-19N-25W  
X262130 CLVD  
1ST PERF NCT 330 FNL, NCT 660 FWL  
LAST PERF NCT 330 FSL, NCT 660 FWL  
BHL NCT 250 FSL, NCT 660 FWL  
NO OP. NAMED  
9-18-2012

LOCATION EXCEPTION - 616187

3/28/2014 - G75 - EXTEND 602147 UNTIL 9-18-2014

MEMO

5/8/2014 - G71 - PIT 1 - SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT  
LINER, PIT 2 - 20-MIL PIT LINER REQUIRED, OBM RETURNED TO VENDOR, CUTTINGS  
PERMITTED PER DISTRICT

SPACING - 262130

3/28/2014 - G75 - (640) 24-19N-25W  
EXT 92369/104550/105512 CLVD, OTHERS  
EXT OTHERS

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Office of the Conservation Division as to when Surface Casing will be run.

045 23456 KENNY 1-24HA