

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

API NUMBER: 083 24301

Approval Date: 05/14/2014
Expiration Date: 11/14/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 17N Rge: 4W

County: LOGAN

SPOT LOCATION: SW SW SW SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 128 2386

Lease Name: CALDWELL

Well No: 1-18H

Well will be 128 feet from nearest unit or lease boundary.

Operator Name: PAYNE EXPLORATION COMPANY

Telephone: 4058439419

OTC/OCC Number: 918 0

PAYNE EXPLORATION COMPANY
7005 N ROBINSON AVE
OKLAHOMA CITY, OK 73116-9044

JANA CALDWELL
12508 APPLETON WAY
OKLAHOMA CITY OK 73142

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

Name	Depth	Name	Depth
1 HUNTON	7000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 622817

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201402571

Special Orders:

Total Depth: 11888

Ground Elevation: 1091

Surface Casing: 525

Depth to base of Treatable Water-Bearing FM: 390

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: 6800 Average: 4300

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-27118

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 18 Twp 17N Rge 4W County LOGAN

Spot Location of End Point: N2 N2 N2 N2

Feet From: NORTH 1/4 Section Line: 200

Feet From: EAST 1/4 Section Line: 2640

Depth of Deviation: 6530

Radius of Turn: 533

Direction: 357

Total Length: 4521

Measured Total Depth: 11888

True Vertical Depth: 7063

End Point Location from Lease,
Unit, or Property Line: 200

Notes:

Category	Description
PENDING CD - 201402571	5/14/2014 - G75 - (I.O.) 18-17N-4W X622817 HNTN SHL NCT 100 FSL, NCT 1320 FEL OR FWL FIRST PERF NCT 200 FSL, NCT 1320 FEL OR FWL LAST PERF NCT 200 FNL, NCT 1320 FEL OR FWL NO OP. NAMED REC 4-28-2014 (STUCK)
SPACING - 622817	5/14/2014 - G75 - (640)(HOR) 18-17N-4W EST HNTN, OTHERS POE TO BHL NCT 660' FB (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)
SURFACE CASING	5/13/2014 - G71 - MIN. 500' PER ORDER # 59052 & # 66227
WELLHEAD PROTECTION AREAS	5/13/2014 - G71 - LOGAN CO. RWS & SWMD #3, 2 WPAS, NW4 20-T17N-R4W

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