API NUMBER: 095 20629 A

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

Approval Date: 11/13/2013
Expiration Date: 05/13/2014

Horizontal Hole Oil & Gas

Amend reason: ADD SYCAMORE FORMATION; CHANGE WOODFORD DEPTH

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 5S Rge: 6E County: MARSHALL

SPOT LOCATION: SE NE NW NE FEET FROM QUARTER: FROM SOUTH

FEET FROM QUARTER: FROM SOUTH FROM WEST SECTION LINES: 2290 1112

Lease Name: CALICO JACK Well No: 3-17H Well will be 350 feet from nearest unit or lease boundary.

 Operator Name:
 MERIT ENERGY COMPANY
 Telephone:
 9726281569
 OTC/OCC Number:
 18934
 0

MERIT ENERGY COMPANY 13727 NOEL RD STE 1200

DALLAS, TX 75240-7312

LEWIS SHAW ENTERPRISES LP

P. O. BOX 929

MADILL OK 73446

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

Name Depth Name Depth 1 **SYCAMORE** 8190 6 2 WOODFORD 8358 7 3 8 4 9 10 532639 Spacing Orders: Location Exception Orders: 618638 Increased Density Orders: 618724

Pending CD Numbers: Special Orders:

Total Depth: 13752 Ground Elevation: 790 Surface Casing: 920 Depth to base of Treatable Water-Bearing FM: 820

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

PIT 1 INFORMATION Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED Chlorides Max: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well?

Wellhead Protection Area? N

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

F. Haul to Commercial soil farming facility: Sec. 28 Twn. 5S Rng. 3W Cnty. 19 Order No:

533041

H. SEE MEMO

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: CPit Location is NON HSA

Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

Sec 17 Twp 5S Rge 6E County MARSHALL

Spot Location of End Point: SW SW SE SE

Feet From: SOUTH 1/4 Section Line: 1
Feet From: WEST 1/4 Section Line: 1440

Depth of Deviation: 8630 Radius of Turn: 93 Direction: 179

Total Length: 5122

Measured Total Depth: 13752

True Vertical Depth: 8358

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category Description

INCREASED DENSITY - 618724 5/19/2014 - G72 - 17-5S-6E

X 532639 WDFD 4 WELLS

MERIT ENERGY COMPANY

12/3/2013)

LOCATION EXCEPTION - 618638 5/19/2014 - G72 - 17-5S-6E (I.O.)

X 532639 WDFD, SCMR, OTHER SHL NCT 330 FNL, NCT 1320 FEL 1ST PERF NCT 165 FNL, NCT 660 FEL LAST PERF NCT 165 FSL, NCT 660 FEL

MERIT ENERGY COMPANY

12/2/2013

MEMO 11/7/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 532639 5/19/2014 - G72- (640) 17-5S-6E

EXT 531472 WDFD, SCMR, OTHERS