

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

API NUMBER: 019 26070

Approval Date: 05/28/2014
Expiration Date: 11/28/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 3S Rge: 3E County: CARTER
SPOT LOCATION: SW SE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 1300 400

Lease Name: GINGER Well No: 4-36H31 Well will be 400 feet from nearest unit or lease boundary.
Operator Name: XTO ENERGY INC Telephone: 8178853255 OTC/OCC Number: 21003 0

XTO ENERGY INC
810 HOUSTON ST
FORT WORTH, TX 76102-6203

NICKEL HILL LAND & CATTLE COMPANY
1023 LANDMARK ROAD
ARDMORE OK 73401

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

| Name | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 WOODFORD | 8800 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 539787 Location Exception Orders: 624838 Increased Density Orders: 623735
624830

Pending CD Numbers:

Special Orders:

Total Depth: 14500 Ground Elevation: 839 **Surface Casing: 1990** Depth to base of Treatable Water-Bearing FM: 690

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: AIR

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: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: DEESE

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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: 14-26546

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: 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 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: DEESE

PIT 3 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: C

Pit Location is NON HSA

Pit Location Formation: DEESE

HORIZONTAL HOLE 1

Sec 31 Twp 3S Rge 4E County JOHNSTON

Spot Location of End Point: NE SE SE NE

Feet From: NORTH 1/4 Section Line: 2030

Feet From: EAST 1/4 Section Line: 25

Depth of Deviation: 8363

Radius of Turn: 637

Direction: 100

Total Length: 5136

Measured Total Depth: 14500

True Vertical Depth: 9000

End Point Location from Lease,
Unit, or Property Line: 25

Notes:

| Category | Description |
|----------------------------|---|
| DEEP SURFACE CASING | 5/23/2014 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING |
| EXCEPTION TO RULE - 624830 | 5/27/2014 - G75 - (I.O.) 31-3S-4E X165:10-3-28(C)(2)(B) WDFD (GINGER 4-36H31) NCT 500' TO GINGER 3-36H31 XTO ENERGY INC. 5-5-2014 |

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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.

| Category | Description |
|-----------------------------|---|
| INCREASED DENSITY - 623735 | 5/27/2014 - G75 - 31-3S-4E X539787 WDFD 9 WELLS XTO ENERGY INC. 4-9-2014 |
| LOCATION EXCEPTION - 624838 | 5/27/2014 - G75 - (I.O.) X539787 WDFD, OTHER XOTHER SHL 1300 FNL, 400 FEL 36-3S-3E FIRST PERF NCT 1980 FNL, NCT 165 FWL 31-3S-4E LAST PERF NCT 1980 FNL, NCT 165 FEL 31-3S-4E XTO ENERGY INC. 5-5-2014 |
| MEMO | 5/23/2014 - G71 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 3 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT |
| SPACING - 539787 | 5/27/2014 - G75 - (640) 31-3S-4E EXT 142014 WDFD, OTHERS EST OTHER |

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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.

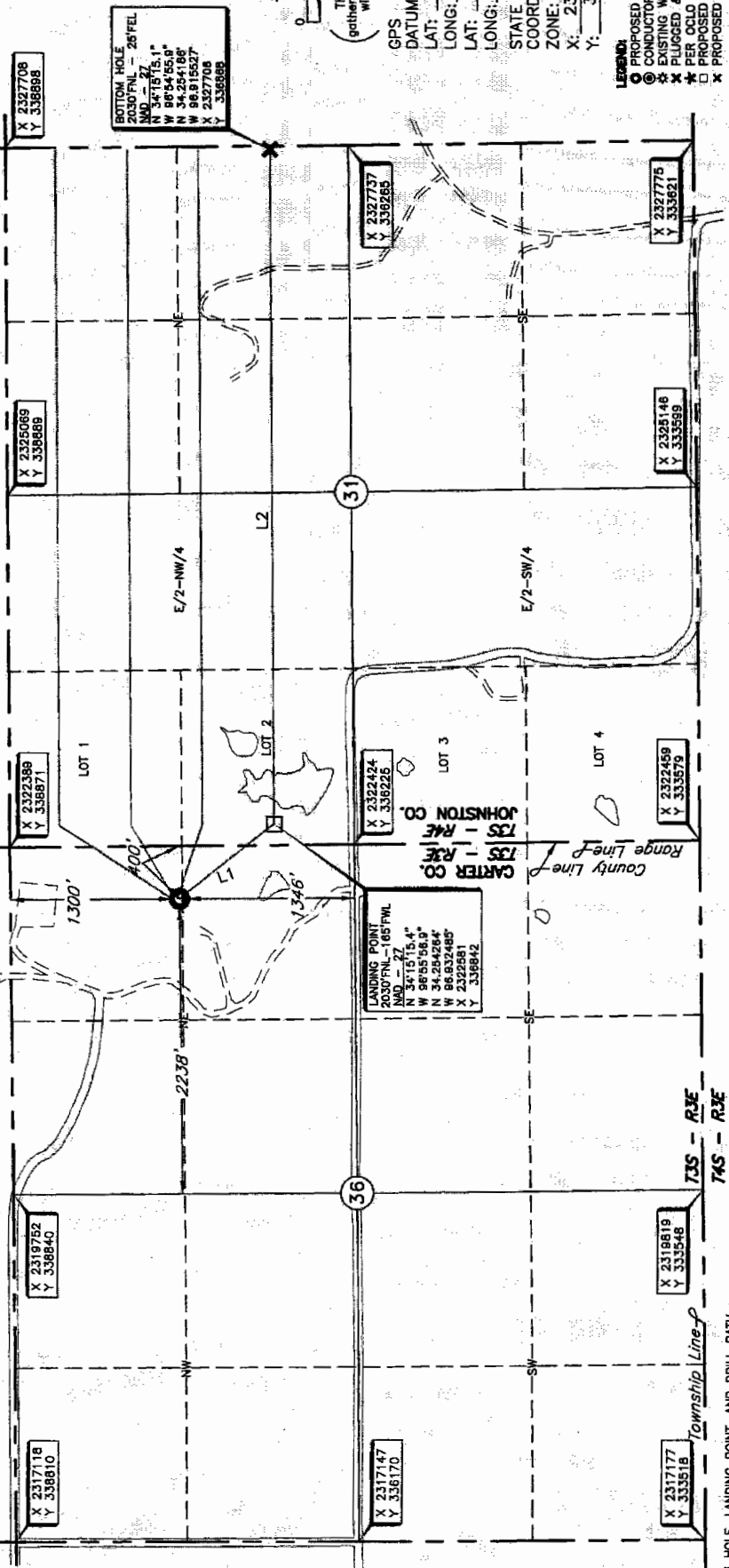
API 019-26070

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

6708 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-1847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293

CARTER/JOHNSTON County, Oklahoma
 Section 36 Township 3S Range 3E I.M.

| LINE | AZIMUTH | LENGTH |
|------|------------|--------|
| L1 | 141.566568 | 925' |
| L2 | 89.704231 | 5125' |



LANDING POINT
 100' FNL - 165' FWL
 N 34°15'15.4" W 86°55'08.9"
 N 34.254284' W 86.932485'
 X 2322581 Y 336842

BOTTOM HOLE
 200' FNL - 26' FWL
 N 34°15'15.1" W 86°54'55.9"
 N 34.254188' W 86.915527'
 X 2327708 Y 336898

GPS DATUM: NAD-27
 LAT: 34°15'22.6" N
 LONG: 96°56'03.7" W
 LAT: 34.256270° N
 LONG: 96.934362° W

STATE PLANE COORDINATES (US FEET):
 ZONE: OK SOUTH
 X: 2322006
 Y: 337566

LEGEND:
 ○ PROPOSED SURFACE HOLE (PSHL)
 ● CONDUCTOR PIPE (CP)
 ⊙ EXISTING WELL-HEAD/PRODUCTION WELL
 ✱ PLUGGED & ABANDONED WELL
 ✱ PER O&G RECORDS
 □ PROPOSED LANDING POINT (LP)
 ✱ PROPOSED BOTTOM HOLE (PBHL)

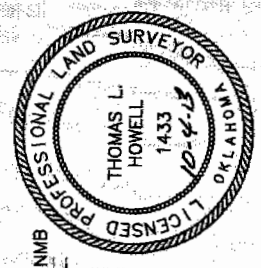
Lease Name: GINGER
 Topography & Vegetation Loc. fell on Level Pad
 Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None
 Best Accessibility to Location From South off county road
 Distance & Direction From Hwy Jct or Town From the junction of US Hwy 177 & St. Hwy 199 in Dickson, Oklahoma, go ± 4.5 miles North on US Hwy 177, then go ± 2 miles East to the East Quarter Corner of Section 36, T3S - R3E.

Well No.: 4-36H31
 ELEVATION: 839' Gr. on Level Pad

Revision: B Date Drawn: Oct. 3, 2013
 Invoice # 208997C Date Staked: Oct. 2, 2013

CERTIFICATE:

I, Thomas L. Howell, an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.
 Thomas L. Howell
 Oklahoma Lic. No. 1433



BOTTOM HOLE, LANDING POINT, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED; DISTANCE BETWEEN DRILL PATHS ARE CALCULATED FROM CORNER COORDINATES ARE TAKEN FROM POINTS SURVEYED IN THE FIELD.
 Operator: XTO ENERGY, INC.