

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

API NUMBER: 007 25679

Approval Date: 05/29/2014  
Expiration Date: 11/29/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 1N Rge: 20ECM County: BEAVER

SPOT LOCATION:  NE  NW  NE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 200 750

Lease Name: MCGARRAUGH 5-1-20 Well No: 1H Well will be 200 feet from nearest unit or lease boundary.

Operator Name: APACHE CORPORATION

Telephone: 9184914900; 9184914

OTC/OCC Number: 6778 0

APACHE CORPORATION  
6120 S YALE AVE STE 1500  
TULSA, OK 74136-4224

JAY COX  
P.O. BOX 623  
PERRYTON TX 79070

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

Name	Depth	Name	Depth
1 MARMATON	5945	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201401501  
201401502

Special Orders:

Total Depth: 16500

Ground Elevation: 2801

**Surface Casing: 2000**

Depth to base of Treatable Water-Bearing FM: 480

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: 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? 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)

PERMIT NO: 14-27904

H. CONCRETE LINED PIT 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 32 Twp 2N Rge 20E County BEAVER

Spot Location of End Point: E2 NW NE NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 750

Depth of Deviation: 6300

Radius of Turn: 573

Direction: 2

Total Length: 10437

Measured Total Depth: 16500

True Vertical Depth: 5982

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

Notes:

Category	Description
DEEP SURFACE CASING	5/27/2014 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
PENDING CD - 201401501	5/29/2014 - G72 - (640 HORZ IRR) E2 5-1N-20ECM & E2 32-2N-20ECM COEXIST 74001, 279694, 74001 AS REARRANGED BY 88138, MRMN; REC 5/6/2014 (MCKEOWN)
PENDING CD - 201401502	5/29/2014 - G72 - E2 5-1N-20ECM & E2 32-2N-20ECM (I.O.) X 201401501 MRMN; SHL NCT 5 FNL NCT 5 FEL 8-1N-20ECM OR NCT 5 FSL NCT 5 FEL E2 5-1N-20ECM; COMP. INT NCT 330 FSL NCT 330 FNL NCT 660 FEL; NO OPER NAMED; REC 5/6/2014 (MCKEOWN)

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