

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

API NUMBER: 119 24233

Approval Date: 06/11/2014
Expiration Date: 12/11/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 26 Twp: 18N Rge: 4E County: PAYNE
SPOT LOCATION: NW NW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 55 1095

Lease Name: STILES 26-18N-4E Well No: 2MH Well will be 55 feet from nearest unit or lease boundary.

Operator Name: AMERICAN ENERGY-WOODFORD LLC Telephone: 4054188001; 4054188 OTC/OCC Number: 23358 0

AMERICAN ENERGY-WOODFORD LLC
PO BOX 18756
OKLAHOMA CITY, OK 73154-0756

DARRELL LEE STILES & BILLIE J. STILES
3112 WEST DRANDSTAFF ROAD
CUSHING OK 74023

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	4200	6	
2	MISENER-HUNTON	4600	7	
3			8	
4			9	
5			10	

Spacing Orders: 622327

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201403951

Special Orders:

Total Depth: 10000

Ground Elevation: 809

Surface Casing: 880

Depth to base of Treatable Water-Bearing FM: 630

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: 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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: VANOSS

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-27397

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - CIMARRON RIVER)

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 26 Twp 18N Rge 4E County PAYNE

Spot Location of End Point: SW SE SW SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1755

Depth of Deviation: 3820

Radius of Turn: 780

Direction: 190

Total Length: 4955

Measured Total Depth: 10000

True Vertical Depth: 4600

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category	Description
LOCATION EXCEPTION - 201403951	6/6/2014 - G75 - (E.O.) 26-18N-4E X622327 MSSP, MSRH, OTHER COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 600 FEL AMERICAN ENERGY-WOODFORD, LLC REC 6-10-2014 (JACKSON)
SPACING - 622327	6/6/2014 - G75 - (640)(HOR) 26-18N-4E EXT 611426 MSSP, MSRH, OTHER POE TO BHL NCT 660' FB (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST SP. ORDER # 142280 MSSND, NE4 NE4)

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.

API 119-24233

APPLICATION TO DRILL, RECOMPLETE OR REENTER

FORM 1000 REV. 2009

FILE ORIGINAL ONLY PLEASE TYPE OR USE BLACK INK

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

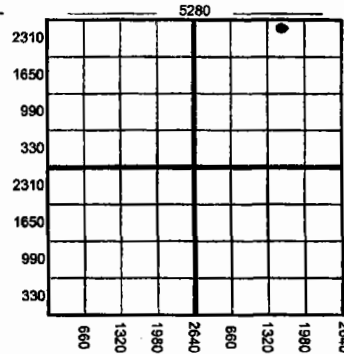
BATCH NUMBER (OCC USE ONLY) WALK THROUGH

1. OTC/OCC OPERATOR NUMBER 23358 2. API NUMBER

3. NOTICE OF INTENT TO: (CHECK ONLY ONE) X DRILL RECOMPLETE REENTER DEEPEN AMEND - REASON 4. TYPE OF DRILLING OPERATION >>>>>>> (NOTE: If directional or horizontal, see reverse side for bottom hole location) A. STRAIGHT HOLE DIRECTIONAL HOLE X HORIZONTAL HOLE B. X OIL/GAS INJECTION DISPOSAL WATER SUPPLY STRAT TEST SERVICE WELL

6. LOCATE WELL AND OUTLINE LEASE OR SPACING UNIT IN INK.

5. WELL LOCATION: SECTION 26 TOWNSHIP 18N RANGE 4E COUNTY PAYNE SPOT LOCATION: NW 1/4 | NW 1/4 | NE 1/4 | NE 1/4 FEET FROM QUARTER from N LINE from E LINE SECTION LINES: 55 1095



7. Well will be 55 feet from nearest unit or property boundary. 8. LEASE NAME: STILES 26-18N-4E WELL NUMBER: 2MH

9. NAME OF OPERATOR: American Energy - Woodford, LLC EMAIL ADDRESS: arianna.bedell@aep-LP.com ADDRESS: 301 NW 63rd, Suite 600 PHONE (ACNUMBER): 405-608-5574 CITY: Oklahoma City STATE: OK ZIP CODE: 73116

10. SURFACE OWNER (ONE ONLY, ATTACH SHEET FOR ADDITIONAL OWNERS) Darrell Lee Stiles and Billie J. Stiles

ADDRESS: 3112 West Drandstaff Road CITY: Cushing STATE: OK ZIP CODE: 74022

11. Is well located on lands under federal jurisdiction? Y X N

12. Will a water well be drilled? Will surface water be used? Date of drilling: 6-16-2014

14. LIST TARGET FORMATIONS AND DEPTHS OF EACH BELOW (LIMITED TO TEN) 1) MISSISSIPPIAN 4200 2) ~~WOODFORD~~ 3) MISENER-HUNTON 4600 4) 5) 6) 7) 8) 9) 10)

TEMPORARY AUTHORIZATION TO DRILL Expiration Date: 6-16-2014 Signature: Virginia Fuller 165:10-3-1-1

15. SPACING ORDER NUMBER(S) AND SIZE UNIT(S): Hearing 6-10-2014 640;622327

16. PENDING APPLICATION C.D. NO. 17. LOCATION EXCEPTION ORDER NO. (E.O.) 201403951 18. INCREASED DENSITY ORDER NO.

19. TOTAL DEPTH 10000 20. GROUND ELEV. 809 21. BASE OF TREATABLE WATER 630 22. SURFACE CASING 880 23. ALT CASING PROG USED? Y X N

24. ALTERNATIVE CASING PROCEDURE, check box and fill in blank (AFFIDAVIT REQUIRED, see reverse side, line 31.) 25.1. PIT INFORMATION: Using more than one pit or mud system? Y N If yes, fill out line 25.2 on top reverse side. A. TYPE OF MUD SYSTEM: X WATER BASED OIL BASED GAS BASED (AIR DRILL) B. EXPECTED MUD CHLORIDE CONTENT: maximum: 5000 ppm; average: 3000 ppm. C. TYPE OF PIT SYSTEM: on-site off-site X closed If off-site, specify location: D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? X Y N E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y X N F. WELLHEAD PROTECTION AREA? Y X N

26.1 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C B. PIT LOCATION: Alluvial Plain Terrace Deposit X Bedrock Aquifer Other H.S.A. Non-H.S.A. Fm: Vanness C. Special area or field rule? D. DEEP SCA? Y N E. CBL required? Y N F. SOIL COMPACTED LINER REQUIRED? Y N G. 20 mil GEOMEMBRANE LINER REQUIRED? Y N

27. PROPOSED METHOD FOR DISPOSAL OF DRILLING FLUIDS (MUST BE COMPLETED) A. Evaporation/dewater and backfilling of reserve pit. B. Solidification of pit contents. C. Annular Injection (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.) PERMIT NO. D. One time land application (REQUIRES PERMIT) PERMIT NO. 14-27397 E. Haul to Commercial pit facility; Specify site: Order No. F. Haul to Commercial soil farming facility; Specify site: Order No. G. Haul to recycling/re-use facility; Specify site: Order No. H. Other, Specify: closed system steel pits (required - Cimarron River)

I hereby certify I am authorized to submit this two page application prepared by me or under my supervision. The facts and proposals made herein are true, correct and complete to the best of my knowledge and belief.

SIGNATURE: Fonda Marwell NAME (Print or Type): Fonda Marwell; Regulatory Manager PHONE (AC/NO.): 405-608-5574 FAX: DATE: 6/4/14

NOTICE: Approval is void if operations have not commenced within six months of the date of approval. An approved permit must be posted at the location during drilling and completion operations. File the Form 1001A, Spud Report, within fourteen days of commencement of operations.

SEC 26 TOWNSHIP 18N RANGE 4E STILES 26-18N-4E 2MH

NOTIFY DISTRICT OFFICE 24 HOURS PRIOR TO CEMENTING SURFACE CASING.

25.2. PIT INFORMATION:

A. TYPE OF MUD SYSTEM: WATER BASED OIL BASED GAS BASED (AIR DRILL)
 B. EXPECTED MUD CHLORIDE CONTENT: maximum: ppm; average: ppm.
 PIT #2 C. TYPE OF PIT SYSTEM: on-site off-site closed If off-site, specify location:
 D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? X Y N
 E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y N N
 F. WELLHEAD PROTECTION AREA? Y N N
 Off-Site Pit No.

26.2 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C Fm:
 B. PIT LOCATION: Alluvial Plain Terrace Deposit Bedrock Aquifer Other H.S.A. Non-H.S.A.
 C. Special area or field rule? D. DEEP SCA? Y N E. CBL? Y N
 F. SOIL COMPACTED LINER REQUIRED? Y N G. 20 mil GEOMEMBRANE LINER REQUIRED? Y N

29 Bottom Hole Location SEC TWP RGE COUNTY
 SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:
 Measured Total True Vertical BHL from nearest Lease, Unit, Or Property Line:
 Depth Depth

30. Bottom Hole Location for Horizontal Hole: (LATERALS)
 LATERAL #1: SEC 28 TWP 18N RGE 4E COUNTY PAYNE
 SPOT LOCATION: SW 1/4 SE 1/4 SW 1/4 SE 1/4 FEET FROM QUARTER from SOUTH LINE from E LINE
 SECTION LINES: 165 1755
 Depth of Deviation Radius of Turn Direction Total Length
3820 780 100 4955
 Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line: 165

LATERAL #2: SEC TWP RGE COUNTY
 SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:
 Depth of Deviation Radius of Turn Direction Total Length
 Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

LATERAL #3: SEC TWP RGE COUNTY
 SPOT LOCATION: 1/4 1/4 1/4 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES:
 Depth of Deviation Radius of Turn Direction Total Length
 Measured Total True Vertical End Point location from nearest lease, unit
 Depth Depth or property line:

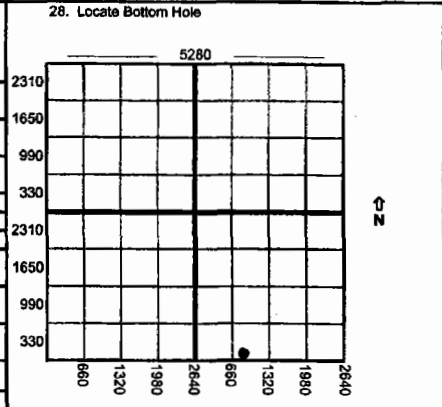
31. AFFIDAVIT FOR ALTERNATIVE CASING PROGRAM (Signature on front of this form attests to this affidavit)
 1. This well WILL WILL NOT penetrate any known lost circulation zones.
 2. During the drilling of this well, withdrawals from any water well within 1/4 mile WILL WILL NOT exceed 50 gallons per minute.
 3. The projected depth of the well IS IS NOT less than 100 feet from the top of any enhanced recovery project or gas storage facility.
 4. List the following for all water wells within 1/4 mile of this well. (Information concerning some water wells may be obtained from the OKLAHOMA WATER RESOURCES BOARD, 3800 N. Classen Blvd., Oklahoma City, OK 73118). IF NO WATER WELLS FOUND, SO STATE. (ATTACH ADDITIONAL SHEET IF NECESSARY)

Name of Owner/Operator	Address of Owner/Operator	Location (Nearest 1/4 1/4 1/4 1/4)	Depth of Well

5. A cement bond log is required to be run and submitted from not less than 100 feet below the base of the treatable water-bearing formation to the surface. OCC USE ONLY
 6. If casing depth is more than 250 feet deeper than base of the treatable water-bearing formation, operator must submit a letter of request listing reasons and precautions to be taken.

INTENT TO DRILL CHECKLIST APPROVED REJECTED
 OCC USE ONLY OCC USE ONLY
 1. SURETY
 A. NONE filed. 11-22-14
 B. EXPIRED: Date
 C. OUTSTANDING CONTEMPT ORDER

4. GEOLOGY
 DO NOT WRITE INSIDE THIS BOX



1. If more than two drainholes are proposed, attach separate sheet indicating the necessary information.
2. Direction must be stated in degrees azimuth.
3. Please note the horizontal drainhole and its end point must be located within the legal boundaries of the lease or spacing unit. Directional surveys are required for all drainholes and directional wells.

Date: 06/04/2014 Time: 15:55
 Case: 000000000 Cashier: K85
 Payor: AMERICAN ENERGY
 Check: 5183 \$500.00
 45 Emerg Walk Thru ITD
 RECEIPT 1408720053
 OKLA CORP COMM