

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

API NUMBER: 119 24262

Approval Date: 08/29/2014
Expiration Date: 02/28/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 18N Rge: 3E

County: PAYNE

SPOT LOCATION: NE NE NE NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 250 225

Lease Name: MCLAIN 31-18N-3E

Well No: 1WH

Well will be 225 feet from nearest unit or lease boundary.

Operator Name: AMERICAN ENERGY-WOODFORD LLC

Telephone: 4056085574; 4054188

OTC/OCC Number: 23358 0

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

ELIZABETH MCLAIN
10718 S. BRUSH CREEK ROAD
PERKINS OK 74059

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

Name	Depth	Name	Depth
1 WOODFORD	4466	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201405852
201405851

Special Orders:

Total Depth: 10000

Ground Elevation: 902

Surface Casing: 540

Depth to base of Treatable Water-Bearing FM: 290

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: 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? Y

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 BED AQUIFER

Pit Location Formation: OSCAR

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-27938
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 31 Twp 18N Rge 3E County PAYNE

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 500

Depth of Deviation: 3540

Radius of Turn: 1024

Direction: 180

Total Length: 4200

Measured Total Depth: 10000

True Vertical Depth: 4466

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

Notes:

Category	Description
MUNICIPAL WATER WELLS/WELLHEAD PROTECTION AREA	8/25/2014 - G76 - JALOPY DRIVE IN WELL 1 SW/4 31-18N-3E; PAYNE CO #3 DAVIS #1 & 2 WELLS - N2 31-18N-3E; PAYNE CO #3 NETTLE #1 WELL - SW/4 29-18N-3E; PERKINS WELL 1 & 2 - SW/4 31-18N-3E
PENDING CD - 201405851	8/29/2014 - G72 - (640 HORZ) 31-18N-03E EST (VERT) OTHERS EXT 615766 WDFD, OTHER REC 8/26/2014 (NORRIS)
PENDING CD - 201405852	8/29/2014 - G72 - 31-18N-03E (I.O.) EXT 201405851 WDFD, OTHERS COMP INT. NCT 165 FNL NCT 165 FSL NCT 330 FEL, NO OPER NAMED, REC 8/26/2014 (NORRIS)

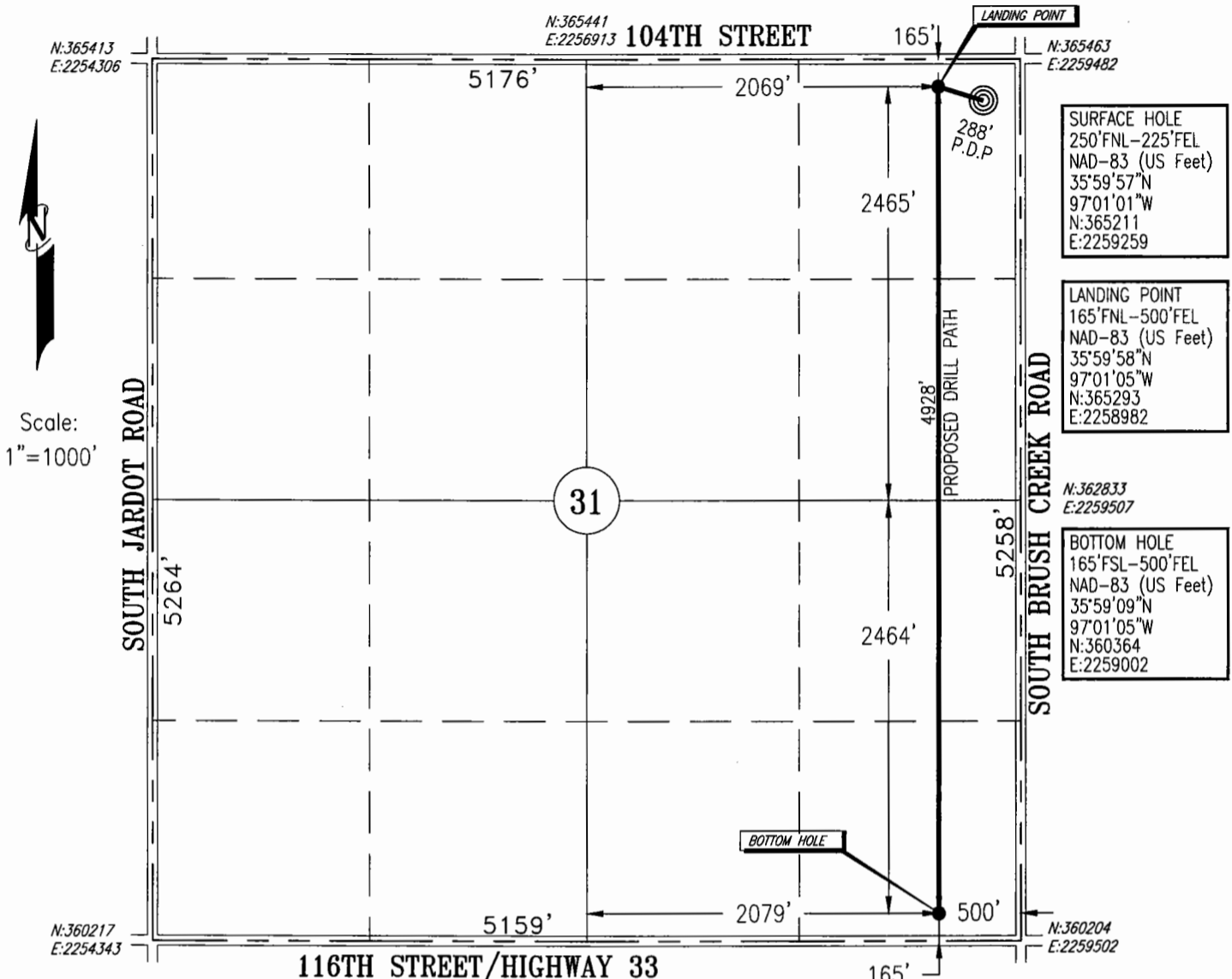
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API 11924262

PROPOSED WELL LOCATION

PAYNE County, Oklahoma

250' FNL, 225' FEL NE/4 Section 31, Township 18N, Range 3E I.M.



SURFACE HOLE
 250'FNL-225'FEL
 NAD-83 (US Feet)
 35°59'57"N
 97°01'01"W
 N:365211
 E:2259259

LANDING POINT
 165'FNL-500'FEL
 NAD-83 (US Feet)
 35°59'58"N
 97°01'05"W
 N:365293
 E:2258982

BOTTOM HOLE
 165'FSL-500'FEL
 NAD-83 (US Feet)
 35°59'09"N
 97°01'05"W
 N:360364
 E:2259002

Bottom Hole, Landing Point, and Drill Path information provided by operator listed, NOT Surveyed; distance between drill paths are calculated.

Operator: AMERICAN ENERGY-WOODFORD, LLC
 Lease Name: McLAIN 31-18N-3E Well No.: 1WH
 Topography & Vegetation: LOCATION FELL IN PASTURE LAND
 Good Drill Site: YES
 Best Accessibility to Location: FROM NORTH
 Distance and Direction from Hwy Junction or Town: FROM THE INTERSECTION OF 104TH STREET AND SOUTH BRUSH CREEK ROAD WEST 0.04 MILES TO WELL PAD

ELEVATION:
902' GR. AT STAKE

Keystone Engineering and Land Surveying, Inc. CA #5877 Exp. 6/30/15 P.O. Box 436 Stillwater, OK. 74076 Ph. (405) 743-3355



CERTIFICATE: W14-156
 I, Carey E. Harris, an Oklahoma Professional Land Surveyor and an authorized agent of Keystone Engineering and Land Surveying, Inc., does hereby certify that on July 3, 2014, the above described well location was surveyed on the ground as shown herein.
C. E. Harris 14 July 14
 Carey E. Harris, Oklahoma Professional Land Surveyor No. 1719

(THE FOLLOWING INFORMATION WAS GATHERED USING A GPS RECEIVER. ACCURACY ±3 FOOT.)
 GPS DATUM: NAD-83
 LATITUDE: 35°59'57" N
 LONGITUDE: 97°01'01" W
 STATE PLANE COORDINATES
 ZONE: OK NORTH
 X: 2259259
 Y: 365211