

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

API NUMBER: 039 22445

Approval Date: 09/12/2014
Expiration Date: 03/12/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 15N Rge: 16W County: CUSTER
SPOT LOCATION: SE SE SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 300 1400

Lease Name: JONES 16 OB Well No: 1 HCG Well will be 300 feet from nearest unit or lease boundary.
Operator Name: MEWBOURNE OIL COMPANY Telephone: 9035612900 OTC/OCC Number: 6722 0

MEWBOURNE OIL COMPANY
PO BOX 7698
TYLER, TX 75711-7698

CHAD LEE
8852 N. 2300 ROAD
CUSTER CITY OK 73639

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 210201

Location Exception Orders: 628252

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13069

Ground Elevation: 1835

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 430

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 25000 Average: 7500

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-28175

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 16 Twp 15N Rge 16W County CUSTER

Spot Location of End Point: E2 NE NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1400

Depth of Deviation: 8100

Radius of Turn: 580

Direction: 180

Total Length: 4058

Measured Total Depth: 13069

True Vertical Depth: 8680

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

Notes:

Category	Description
DEEP SURFACE CASING	9/12/2014 - G76 - 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
LOCATION EXCEPTION - 628252	9/12/2014 - G91 - (I.O.) 16-15N-16W X 210201 CGGV SHL NCT 250 FSL, NCT 900 FEL POE NCT 330 FSL, NCT 1320 FEL BHL NCT 330 FNL, NCT 1320 FEL MEWBOURNE OIL COMPANY 7-24-2014
SPACING - 210201	9/12/2014 - G91 - (640) 16-15N-16W EXT 152275 CGGV, OTHERS EXT OTHER

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.