

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

API NUMBER: 085 21235 A

Approval Date: 07/21/2014
Expiration Date: 01/21/2015

Horizontal Hole Oil & Gas

Amend reason: REQUEST DEEPSURFCSG TO 1990'

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 7S Rge: 1E

County: LOVE

SPOT LOCATION: NE NE NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 275 1130

Lease Name: BILLIE JO

Well No: 1-35H

Well will be 275 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

FRED & BILLIE JOE MCKAY, TRUSTEE, MCKAY FAMILY TRUST
15144 BOMAR ROAD
MARIETTA OK 73448

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

	Name	Depth	Name	Depth
1	CANEY	12500	6	
2	WOODFORD	14700	7	
3	HUNTON	14900	8	
4			9	
5			10	

Spacing Orders: 622037

Location Exception Orders: 622629

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 21000

Ground Elevation: 787

Surface Casing: 1990

Depth to base of Treatable Water-Bearing FM: 230

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 located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-27465

H. SEE MEMO

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 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

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 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

HORIZONTAL HOLE 1

Sec 35 Twp 7S Rge 1E County LOVE

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 400

Depth of Deviation: 14100

Radius of Turn: 1000

Direction: 179

Total Length: 5105

Measured Total Depth: 21000

True Vertical Depth: 15000

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category	Description
DEEP SURFACE CASING	9/16/2014 - 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
LOCATION EXCEPTION - 622629	7/18/2014 - G72 - 35-07S-01E (I.O.) X CNEY, WDFD, HNTN, OTHER; **SHL 275 FNL 1040 FWL; COMP INT. NCT 165 FNL NCT 165 FSL NCT 330 FWL; XTO ENERGY INC. 3/13/2014

This permit does not address the right of entry or settlement of surface damages.
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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
MEMO	7/21/2014 - G76 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 622037	7/18/2014 - G72 - (640) 35-07S-01E EST CNEY, WDFD, HNTN, OTHERS

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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.