API NUMBER: 095 20637

Oil & Gas

Horizontal Hole

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

Approval Date: 10/24/2014
Expiration Date: 04/24/2015

PERMIT TO DRILL

EAST

WELL LOCATION:	Sec:	03	Twp:	6S	Rge: 6E	County:	MARSHALL

SPOT LOCATION: NW SE NE NE FEET FROM QUARTER: FROM NORTH FROM

SECTION LINES: **670 499**

Lease Name: DOC WATKINS Well No: 1-3H Well will be 499 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

H. G. WATKINS & MARY M. WATKINS

P.O. BOX 807

MADILL OK 73446

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

	Name	Depth	Name	Depth
1	CANEY	6263	6	
2	SYCAMORE	6593	7	
3	WOODFORD	6713	8	
4	HUNTON	7043	9	
5			10	
Spacing Orders:	627207	Location Exception Orders: 62	8618	Increased Density Orders:

Pending CD Numbers: Special Orders:

Total Depth: 13000 Ground Elevation: 680 **Surface Casing: 1990** Depth to base of Treatable Water-Bearing FM: 390

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: Yes Surface Water used to Drill: Yes

PIT 1 INFORMATION Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: AIR

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28468

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA
Pit Location Formation: CADDO

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

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?

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C
Pit Location is NON HSA
Pit Location Formation: CADDO

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?

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CADDO

HORIZONTAL HOLE 1

Sec 03 Twp 6S Rge 6E County MARSHALL

Spot Location of End Point: SW NW NW NW Feet From: NORTH 1/4 Section Line: 380

Feet From: WEST 1/4 Section Line: 1

Depth of Deviation: 6406 Radius of Turn: 1000

Direction: 275
Total Length: 5023

Measured Total Depth: 13000
True Vertical Depth: 7043
End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category Description

DEEP SURFACE CASING 10/15/2014 - G76 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS

OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR

SURFACE CASING

LOCATION EXCEPTION - 628618 10/24/2014 - G75 - (I.O.) N2 3-6S-6E

X627207 CNEY, SCMR, WDFD, HNTN

SHL 670 FNL, 499 FEL

COMPL. INT. NCT 165 FEL, NCT 165 FWL, NCT 330 FNL

XTO ENERGY INC.

8-1-2014

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.

095 20637 DOC WATKINS 1-3H

Category Description

MEMO 10/15/2014 - G76 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 3 -

OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 627207 10/24/2014 - G75 - (320) N2 3-6S-6E LD NLT 660' FB

VAC 34254 MSRH NE4 VAC 40136 WDFD NE4

VAC 272341 SCMR, WDFD, OTHER SE4 NW4

VAC 357531 SCMR, OTHER EST CNEY, SCMR, WDFD, HNTN

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 API 095-20637 MARSHALL _____ County, Oklahoma
Township 6S Range X= 2401567 Y= 270991 670'FNL-499'FEL 6E_I.M. Section X= 2406859 Y= 271059 X= 2402524 Y= 271004 1ST GUIDE MERIDIAN SOUTH Township Line & TSS -REE Township Line-P BOTTOM HOLE 380'FNL-0'FWL NAD - 27 N 34' 04' 10.9" W 96' 40' 26.4" N 34.069703' 765 -REE X = 2404213Y= 271025 12 W 96 673986 X= 2401572 Y= 270611 LANDING POINT 380'FNL-165'FEL Lot 3 NAD - 27 N 34'04'10.9" W 96'39'25.4" N 34.069696" Lot 4 Lot 1 Lot 2 499' W 96.657057 ENGTH 442 2406699 Y= 270677 BOUNDARY TABL 289590 AZIMUTH S/2-NW/4 S/2-NE/4 CORPS LINE INE 269. 48 3 OGRADY X= 2406894 8_N_2 Y= 268419 X= 240160 Y= 268337 1990 (PLL) PROPOSED SURFACE HOLE (PSHL)

© CONDUCTOR PIPE (CP)

EXISTING WELLHEAD/PRODUCTION WE

PLUGGED & ABANDONED WELL

PER OCLO RECORDS

PROPOSED LANDING POINT (LP)

PROPOSED BOTTOM HOLE (PBHL)

PROPOSED OTHER LATERAL LINES (F CORPS BOUNDARY GRID NAD-27 Okla. South US Feet Scale: 1"= 1000' 1000 O@#X*DX X= 2406929 Y= 265780 X= 2404285 Y= 265741 BOTTOM HOLE, LANDING POINT, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED; DISTANCE BETWEEN DRILL PATHS ARE CALCULATED AND CORNER COORDINATES ARE TAKEN FROM POINTS SURVEYED IN THE FIELD. Operator: XTO ENERGY, INC. **ELEVATION:** Lease Name: DOC WATKINS Well No.: 1-3H 680' Gr. on level pad Topography & Vegetation Loc. fell on level pad, 20' North of Watkins 1-3H2 Reference Stakes or Alternate Location None Yes Good Drill Site? _____ Stakes Set From North off county road, 20' South of Watkins 1-3H2 Best Accessibility to Location __ Distance & Direction From Little City, OK., go ±3.0 mi. West on St. Hwy 199 to from Hwy Jct or Town Indian Road, then ± 1.0 mil South to Existing lease road in the NE corner of Section 3-T6S-R6E W. R. F. ESSIONAL WAS ESSIONAL Date of Drawing: Aug. 12, 2013 Invoice # 205546 Date Staked: Aug. 5, 2013 JAL NAD-27 No ormation was the GPS received. LAT: _34'04'08.0"N LONG: 96'39'29.4"W **CERTIFICATE:** SURVE ED LEE K. LAT: 34.068900"N Lee K. Goss _a Oklahoma Licensed Land CENSE GOSS LONG: 96.658160'W Surveyor and an authorized agent of Topographic Land 1778 Surveyors of Oklahoma, do hereby certify that the above STATE PLANE OKLAHOMA OTT COORDINATES: (US Feet) described well location was surveyed and staked on the ground as shown herein. ZONE: OK SOUTH X: 2406369 270382 Oklahoma Lic. No. _ Y: