

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

API NUMBER: 119 24305

Approval Date: 11/07/2014
Expiration Date: 05/07/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 06 Twp: 17N Rge: 4E County: PAYNE
SPOT LOCATION: NE SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 358 270

Lease Name: **LODESTONE 5-17N-4E** Well No: **1MH** Well will be **270** 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

LOUIS A. WILLIAMS & BONNIE S. WILLIAMS
5413 W. 9TH ST.
CUSHING OK 74023

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

| Name | Depth | Name | Depth |
|------|---------------|------|-------|
| 1 | MISSISSIPPIAN | 3970 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 593184

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201406477
201406475

Special Orders:

Total Depth: 8500

Ground Elevation: 890

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 100

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? 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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28399
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 05 Twp 17N Rge 4E County PAYNE

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 475

Depth of Deviation: 2988

Radius of Turn: 421

Direction: 15

Total Length: 4850

Measured Total Depth: 8500

True Vertical Depth: 3970

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

Notes:

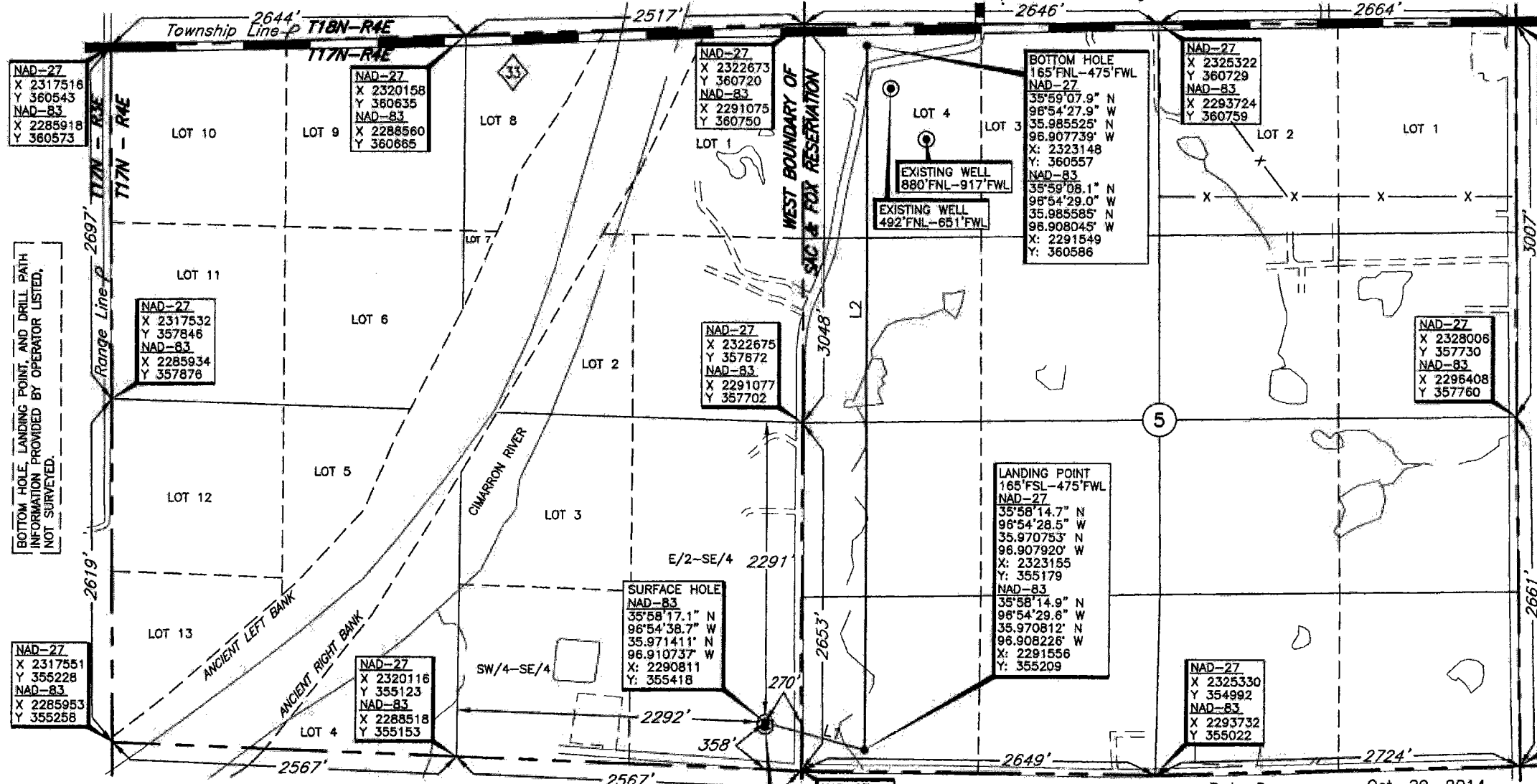
| Category | Description |
|------------------------|---|
| PENDING CD - 201406475 | 11/7/2014 - G91 - 5-17N-4E X 593184 MSSP 2 WELLS NO OP. NAMED REC. 9-23-2014 (N. STUCK) |
| PENDING CD - 201406477 | 11/7/2014 - G91 - 5-17N-4E X 593184 MSSP COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 330 FWL NO OP. NAMED REC. 9-23-2014 (N. STUCK) |
| SPACING - 593184 | 11/7/2014 - G91 - (640)(HOR) 5-17N-4E EST MSSP POE TO BHL NCT 660' FB (SUPERCEDE EXISTING NON-DEVELOP NON-HORIZONTAL SPACING UNITS) |

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

119-24305

PAYNE County, Oklahoma 358° FSL-270° FEL Section 6 Township 17N Range 4E I.M.



BOTTOM HOLE, LANDING POINT, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.



GRID
 NAD-27
 OK NORTH
 US FEET
 Scale:
 1" = 1000'

(This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.)

DATUM: NAD-27
 LAT: 35°58'16.9"N
 LONG: 96°54'37.6"W
 LAT: 35.971351° N
 LONG: 96.910431° W
 STATE PLANE
 COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 2322410
 Y: 355389

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY.

| PROPOSED DRILL PATH | |
|---------------------|----------|
| LINE | DISTANCE |
| L1 | 774' |
| L2 | 5378' |

Operator: AMERICAN ENERGY - WOODFORD, LLC
 Lease Name: LODESTONE 5-17N-4E Well No.: 1MH
 Topography & Vegetation Loc. fell in sloping pasture, ± 292' N. of power line and ± 202' W. of power line
 Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None
 Best Accessibility to Location From East off county road
 Distance & Direction From the junction of St. Hwy 33 E-W & St. Hwy 18 South, go ± 2 miles West on St. Hwy 33, then ± 1 mile South to the Southeast Corner of Section 6, T17N-R4E.

ELEVATION:
890' Gr. at Stake

Date Drawn: Oct. 29, 2014
 Invoice # 231537 Date Staked: Oct. 6, 2014 NMB

CERTIFICATE:

I, Thomas L. Howell a Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Thomas L. Howell
 Oklahoma Lic. No. 1433

