

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

API NUMBER: 045 23543

Approval Date: 11/26/2014
Expiration Date: 05/26/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 17N Rge: 23W County: ELLIS
SPOT LOCATION: SW SE SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 200 1950

Lease Name: MILLER Well No: 8-4H Well will be 200 feet from nearest unit or lease boundary.
Operator Name: EOG RESOURCES INC Telephone: 4052463226; 7136517 OTC/OCC Number: 16231 0

EOG RESOURCES INC
3817 NW EXPRESSWAY STE 500
OKLAHOMA CITY, OK 73112-1483

TEDDY & TERRY MILLER
BOX 296
ARNETT OK 73832

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

| Name | Depth | Name | Depth |
|------|----------|-------|-------|
| 1 | CHEROKEE | 10200 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 580811

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201408299
201408298

Special Orders:

Total Depth: 15225

Ground Elevation: 2438

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 720

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

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: OGALLALA

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-28878

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: 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 BED AQUIFER

Pit Location Formation: OGALLALA

HORIZONTAL HOLE 1

Sec 08 Twp 17N Rge 23W County ELLIS

Spot Location of End Point: E2 SW SW SE

Feet From: SOUTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 2030

Depth of Deviation: 10640

Radius of Turn: 555

Direction: 181

Total Length: 4585

Measured Total Depth: 15225

True Vertical Depth: 10529

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

Notes:

Category

Description

DEEP SURFACE CASING

11/25/2014 - 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

MEMO

11/25/2014 - G76 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201408298

11/26/2014 - G72 - 08-17N-23W (E.O.)
X 580811 CHRK,
1 WELL,
NO OPER NAMED,
REC 11/26/2014 (DECKER) PER ATTORNEY

PENDING CD 201408299

11/26/2014 - G72 - 8-17N-23W (E.O.)
X 580811 CHRK,
1ST PERF NCT 330 FNL NCT 1950 FEL,
LST PERF NCT 330 FSL NCT 2030 FEL,
NO OPER NAMED,
REC 11/26/2014(DECKER) PER ATTORNEY

SPACING - 580811

11/26/2014 - G72 - (640 HORZ) 08-17N-23W
EST CHRK,
POE TO BHL NCT 660' FB,
EXIST CONCURRENTLY WITH PRODUCING NON-HORIZONTAL
DRILLING AND SPACING UNITS, AND THIS HORIZONTAL UNIT SHALL SUPERCEDE EXISTING
NON-DEVELOPED, NONHORIZONTAL
DRILLING AND SPACING UNITS FOR THE DURATION OF THE HORIZONTAL WELL UNIT .

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.