

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

API NUMBER: 039 22451

Approval Date: 12/02/2014
Expiration Date: 06/02/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 14N Rge: 16W County: CUSTER
SPOT LOCATION: NW NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 200 1800

Lease Name: **HOLDER** Well No: **1-36H** Well will be **200** feet from nearest unit or lease boundary.
Operator Name: **TOKLAN OIL & GAS CORPORATION** Telephone: 9188787412 OTC/OCC Number: 10043 0

TOKLAN OIL & GAS CORPORATION
7404 S YALE AVE
TULSA, OK 74136-7029

PRESTON MASQUELIER
1212 ELM
CUSTER CITY OK 73639

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8480	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 146119

Location Exception Orders: 631679

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14100

Ground Elevation: 1695

Surface Casing: 950

Depth to base of Treatable Water-Bearing FM: 350

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: RUSH SPRINGS

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-28838

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 350000 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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 36 Twp 15N Rge 16W County CUSTER

Spot Location of End Point: NW NE NW NE

Feet From: SOUTH 1/4 Section Line: 2340

Feet From: EAST 1/4 Section Line: 1800

Depth of Deviation: 8400

Radius of Turn: 446

Direction: 360

Total Length: 5000

Measured Total Depth: 14100

True Vertical Depth: 8600

End Point Location from Lease,
Unit, or Property Line: 300

Notes:

Category

Description

DEEP SURFACE CASING

10/22/2014 - 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 - 631679

12/2/2014 - G76 - (I.O) 36-15N-16W
X146119 CGGV
COMPL. INT. NCT 300 FSL, NCT 300 FNL, NCT 500 FWL
TOKLAN OIL & GAS CORP.
10/9/2014

SPACING - 146119

12/1/2014 - G76 - (640) 36-15N-16W
EXT 70016/73467 CGGV
EXT OTHERS
EST OTHERS

SURFACE & BOTTOM HOLE LOCATION

12/2/2014 - G76 - SURFACE 1800' FEL, 200' FNL NE4 1-14N-16W; BOTTOM HOLE 2340' FSL, 1800' FEL NE4 36-15N-16W PER OPERATOR

SURFACE OWNER

12/2/2014 - G76 - PER OPERATOR

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