

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

API NUMBER: 045 23548

Approval Date: 12/17/2014
Expiration Date: 06/17/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 17N Rge: 24W County: ELLIS
SPOT LOCATION: NW NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 250 1810

Lease Name: KNOWLES Well No: 2-3H Well will be 250 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

KENNETH K & CHARLENE K KNOWLES REV TR.
HCR 63, BOX 6
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 MARMATON	9650	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 579146

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201408360
201408361

Special Orders:

Total Depth: 14920

Ground Elevation: 2400

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 640

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: 14-29131

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.

HORIZONTAL HOLE 1

Sec 02 Twp 17N Rge 24W County ELLIS

Spot Location of End Point: NW NE NW NE

Feet From: NORTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 1850

Depth of Deviation: 9198

Radius of Turn: 491

Direction: 359

Total Length: 4950

Measured Total Depth: 14920

True Vertical Depth: 9650

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category	Description
DEEP SURFACE CASING	12/17/2014 - 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
PENDING CD - 201408360	12/17/2014 - G91 - 2-17N-24W X579146 MRMN 1 WELL NO OP. NAMED REC. 12-1-2014 (OSBURN)
PENDING CD - 201408361	12/17/2014 - G91 - (I.O.) 2-17N-24W X579146 MRMN 1ST PERF NCT 165 FSL, NCT 1810 FEL LAST PERF NCT 165 FNL, NCT 1855 FEL NO OP. NAMED REC. 12-1-2014 (OSBURN)
SPACING - 579146	12/17/2014 - G91 - (640)(HOR) 2-17N-24W EST MRMN, OTHERS POE TO BHL NCT 660' FB (SUPERCEDE NON-DEVELOP NON-HORIZONTAL SPACING UNITS)

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