

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

API NUMBER: 019 26007 D

Approval Date: 11/13/2013
Expiration Date: 05/13/2014

Directional Hole Oil & Gas

Amend reason: CHANGE SHL AND CORRECT TMD

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 4S Rge: 1W

County: CARTER

SPOT LOCATION: NW NE NW SE

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 330 990

Lease Name: LONDON COMPANY

Well No: 1-18

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: AVALON EXPLORATION INC

Telephone: 9185230600

OTC/OCC Number: 14147 0

AVALON EXPLORATION INC
15 W 6TH ST STE 2300
TULSA, OK 74119-5401

RAY LONDON COMPANY, LLC
PO BOX 1444
ARDMORE OK 73402

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

Name	Depth	Name	Depth
1 LONE GROVE LOW	6000	6 PENN BASAL UNCONF SAND	8400
2 FUSULINID UP	6200	7 WOODFORD	8500
3 FUSULINID LOW	6900	8 HUNTON	8600
4 TUSSY UP	7400	9	
5 DORNICK HILLS	8200	10	

Spacing Orders: 127607
367450

Location Exception Orders: 626653

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 9500

Ground Elevation: 938

Surface Casing: 900

Depth to base of Treatable Water-Bearing FM: 490

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

B. Solidification of pit contents.

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

PERMIT NO: 13-22407

DIRECTIONAL HOLE 1

Sec 18 Twp 4S Rge 1W County CARTER

Spot Location of End Point: NE SW NW SE

Feet From: SOUTH 1/4 Section Line: 1863

Feet From: WEST 1/4 Section Line: 403

Measured Total Depth: 9500

True Vertical Depth: 8750

End Point Location from Lease,

Unit, or Property Line: 403

Notes:

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.

Category	Description
DEEP SURFACE CASING	11/12/2013 - 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 - 626653	6/16/2014 - G72 - SE 18-04S-01W (E.O.) X 36750 WDFD, HNTN; **SHL 2310 FSL 990 FWL; POE WDFD 1872 FSL 404 FWL; POE HNTN 1875 FSL 406 FWL; BHL 1863 FSL 403 FWL; AVALON EXPLORATION, INC., 6/12/2014 ** SHL CORRECTED AT FINAL HEARING.
SPACING - 127607	11/13/2013 - G30 - (40) N2 S2 18-4S-1W EXT 98633/108557 BYOU, LGRVU, LGRVM, LGRVL, FSLDU, FSLDL, TSSYU, TSSYL, DKHL, BPUNC
SPACING - 367450	6/16/2014 - G72 - (160) SE 18-04S-01W EST WDFD, HNTN, OTHERS

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