

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

API NUMBER: 119 24323

Approval Date: 01/16/2015  
Expiration Date: 07/16/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 18N Rge: 3E County: PAYNE  
SPOT LOCATION:  NE  NE  NE  NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 220 325

Lease Name: MCLAIN 32-18N-3E Well No: 1WH Well will be 220 feet from nearest unit or lease boundary.

Operator Name: AMERICAN ENERGY-WOODFORD LLC Telephone: 4056085540; 4054188 OTC/OCC Number: 23358 0

AMERICAN ENERGY-WOODFORD LLC  
PO BOX 18756  
OKLAHOMA CITY, OK 73154-0756

ELIZABETH MCLAIN, TRUSTEE  
10718 BRUSH CREEK ROAD  
PERKINS OK 74059

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

Name	Depth	Name	Depth
1 WOODFORD	4457	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201500149  
201500148

Special Orders:

Total Depth: 10000 Ground Elevation: 902 Surface Casing: 580 Depth to base of Treatable Water-Bearing FM: 330

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? Y

Wellhead Protection Area? Y

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: OSCAR

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-29317  
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 32 Twp 18N Rge 3E County PAYNE

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 815

Depth of Deviation: 3857

Radius of Turn: 743

Direction: 160

Total Length: 4975

Measured Total Depth: 10000

True Vertical Depth: 4457

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

Notes:

Category	Description
PENDING CD - 201500148	1/16/2015 - G76 - (E.O.)(640)(HOR) 32-18N-3E VAC OTHERS EXT 630754 WDFD, OTHERS POE TO BHL (OTHERS) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB AMERICAN ENERGY - WOODFORD, LLC. REC. 1/16/2015 (NORRIS)
PENDING CD - 201500149	1/16/2015 - G76 - (E.O.) 32-18N-3E X201500148 WDFD, OTHERS COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 660 FWL AMERICAN ENERGY - WOODFORD, LLC. REC. 1/16/2015 (NORRIS)
PUBLIC WATER SUPPLY/WELLHEADPROTECTION AREA	1/6/2015 - G71 - PAYNE CO RWD #3 - 4 PWS/WPA, SE/4 29-18N-3E & N2 31-18N-3E, JALOPY DRIVE IN - 1 PWS/WPA, SE/4 31-18N-3E

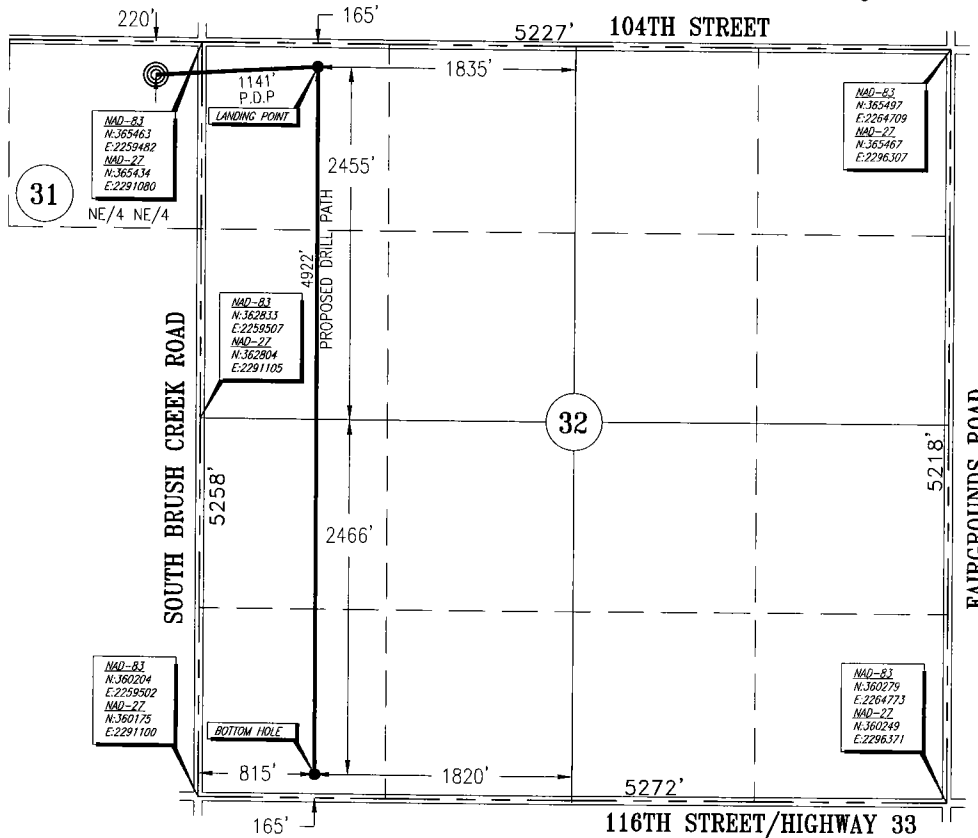
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Office of the Conservation Division as to when Surface Casing will be run.

API- 119-24323

**PROPOSED WELL LOCATION**

PAYNE County, Oklahoma

220' FNL, 325' FEL NE/4 Section 31, Township 18N, Range 3E 1.M.



**SURFACE HOLE**  
 220'FNL-325'FEL  
 NAD-83 (US Feet)  
 35°59'58"N  
 97°01'03"W  
 N:365240  
 E:2259159  
 NAD-27  
 N:365211  
 E:2290757

**LANDING POINT**  
 165'FNL-815'FWL  
 NAD-83 (US Feet)  
 35°59'58"N  
 97°00'49"W  
 N:365303  
 E:2260298  
 NAD-27  
 N:365274  
 E:2291896

**BOTTOM HOLE**  
 165'FSL-815'FWL  
 NAD-83 (US Feet)  
 35°59'09"N  
 97°00'49"W  
 N:360381  
 E:2260317  
 NAD-27  
 N:360352  
 E:2291915



Scale: 1" = 1000'

Bottom Hole, Landing Point, and Drill Path information provided by operator listed, NOT Surveyed; distance between drill paths are calculated.

Operator: AMERICAN ENERGY-WOODFORD, LLC  
 Lease Name: McLAIN 32-18N-3E Well No.: 1WH  
 Topography & Vegetation: LOCATION FELL IN PASTURE LAND  
 Good Drill Site: YES  
 Best Accessibility to Location: FROM NORTH  
 Distance and Direction from Hwy Junction or Town: FROM THE INTERSECTION OF 104TH STREET AND SOUTH BRUSH CREEK ROAD WEST 0.04 MILES TO WELL PAD

**ELEVATION:**  
902' GR. AT STAKE

Keystone Engineering and Land Surveying, Inc. CA #5877 Exp. 6/30/15 P.O. Box 436 Stillwater, OK. 74076 Ph. (405) 743-3355



**CERTIFICATE:** W14-156  
 I, Carey E. Harris, an Oklahoma Professional Land Surveyor and an authorized agent of Keystone Engineering and Land Surveying, Inc., does hereby certify that on July 3, 2014, the above described well location was surveyed on the ground as shown herein.  
CEH 15 Dec 14  
 Carey E. Harris, Oklahoma Professional Land Surveyor No. 1719

(THE FOLLOWING INFORMATION WAS GATHERED USING A GPS RECEIVER. ACCURACY ±3 FOOT.)  
 GPS DATUM: NAD-83  
 LATITUDE: 35°59'58" N  
 LONGITUDE: 97°01'03" W  
 STATE PLANE COORDINATES  
 ZONE: OK NORTH  
 X: 2259159  
 Y: 365240