

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

API NUMBER: 019 25830 A

Approval Date: 02/19/2015  
Expiration Date: 08/19/2015

Directional Hole Oil & Gas

PERMIT TO RECOMPLETE

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

County: CARTER

SPOT LOCATION:  SW  SW  NE  SW

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 1501 1319

Lease Name: INTERSERIES SHELL CAR

Well No: 3-18

Well will be 4 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  
P.O. BOX 1444  
ARDMORE OK 73402

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

Name	Depth	Name	Depth
1 FUSULINID UP	5830	6	
2 FUSULINID LOW	6130	7	
3 TUSSY UP	6300	8	
4		9	
5		10	

Spacing Orders: 127607  
98633

Location Exception Orders: 615746

Increased Density Orders: 607384

Pending CD Numbers:

Special Orders:

Total Depth: 11300

Ground Elevation: 990

**Surface Casing: 1202 IP**

Depth to base of Treatable Water-Bearing FM: 520

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

**DIRECTIONAL HOLE 1**

Sec 18 Twp 4S Rge 1W County CARTER

Spot Location of End Point: NE NW SE SW

Feet From: SOUTH 1/4 Section Line: 1248

Feet From: EAST 1/4 Section Line: 984

Measured Total Depth: 11300

True Vertical Depth: 11275

End Point Location from Lease,

Unit, or Property Line: 984

**Notes:**

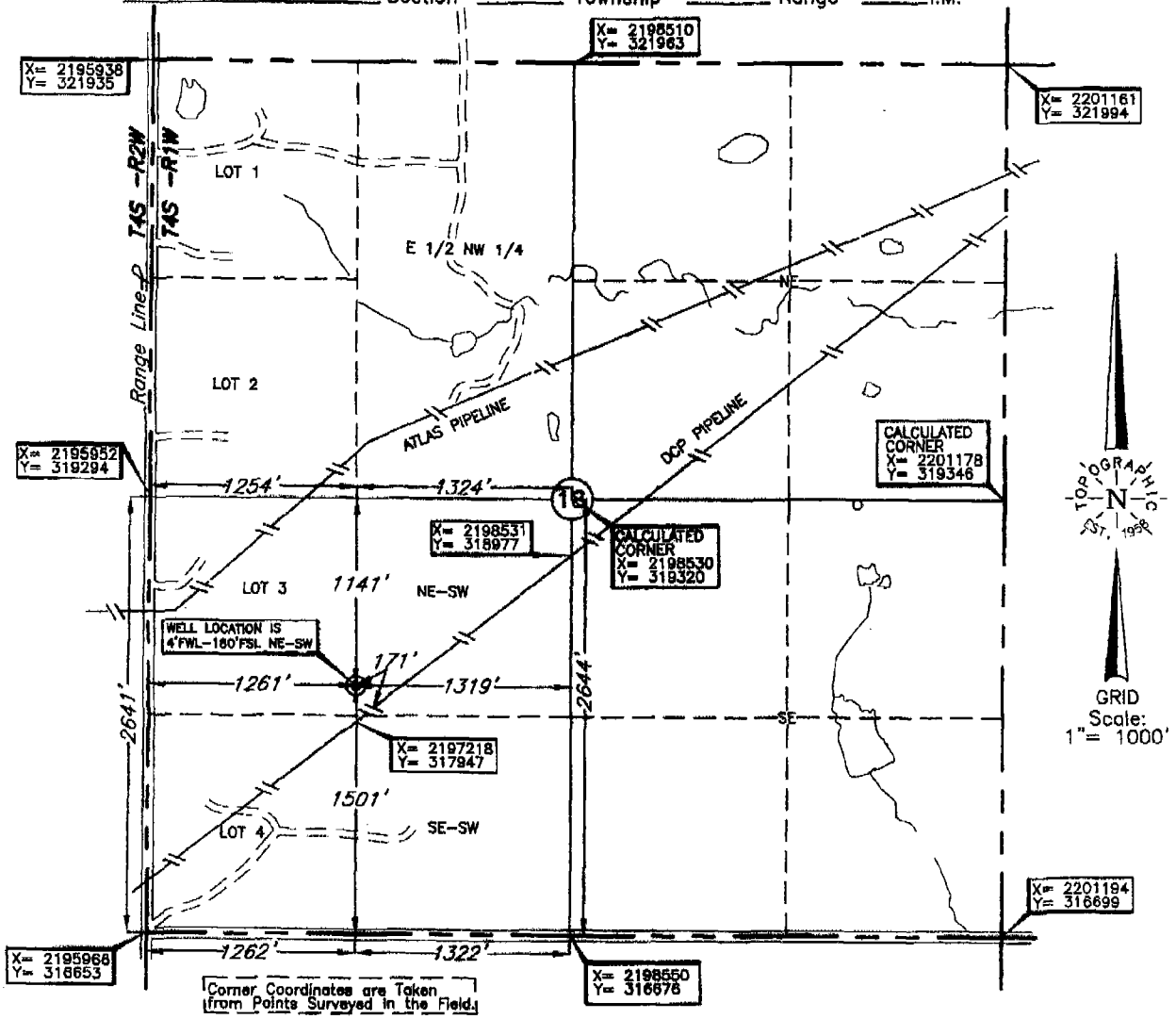
This permit does not address the right of entry or settlement of surface damages.  
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.  
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
FRAC FOCUS	2/11/2015 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
INCREASED DENSITY - 607384	2/17/2015 - G75 - NE4 SW4 18-4S-1W X98633/127607 FSLDU X127607 FSLDL 1 WELL AVALON EXPLOR., INC. 2-4-2013 (WELL SPUD 1-25-2013)
LOCATION EXCEPTION - 615746	2/17/2015 - G75 - (F.O.) NE4 SW4 18-4S-1W X98633/127607 FSLDU X127607 FSLDL, TSSYU SHL 180 FSL, 4 FWL ENTRY FSLDU 182 FSL, 166 FWL ENTRY FSLDL 171 FSL, 185 FWL ENTRY TSSYU 165 FSL, 194 FWL BHL 165 FSL, 194 FWL ** AVALON EXPLOR., INC. 9-12-2013 (WELL SPUD 1-25-2013)  ** S/B 1248 FSL, 984 FEL SW4 18-4S-1W; NUNC PRO TUNC HAS BEEN PREPARED BY ATTORNEY FOR OPERATOR AND A COPY REVIEWED BY OCC
SPACING - 127607	2/17/2015 - G75 - N2 S2 (40) 18-4S-1W EXT 98633 FSLDU EXT 108557/112175/112176/112496 FSLDL, TSSYU, OTHERS
SPACING - 98633	2/17/2015 - G75 - (40) SW4 18-4S-1W EST FSLDU
SURFACE LOCATION	2/17/2015 - G75 - 4' FWL, 180' FSL NE4 SW4 18-4S-1W PER SURVEY PLAT

API 019-25830A

**TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA**  
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 • LOCAL (405) 843-4847 • OUT OF STATE (800) 654-3219  
Certificate of Authorization No. 1283

CARTER County, Oklahoma  
1501' FSL-1261' FWL Section 18 Township 4S Range 1W I.M.

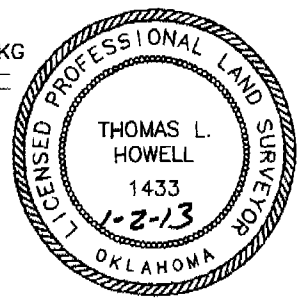


Operator: AVALON OIL & GAS III, LLC  
 Lease Name: INTERSERIES SHELL CAR Well No.: 3-18 **ELEVATION:** 990' Gr. at Stake  
 Topography & Vegetation Loc. fell in pasture, ±150' NE of NE-SW pipeline, 320' SW of Existing Well Head  
 Good Drill Site? YES Reference Stakes or Alternate Location Stakes Set None  
 Best Accessibility to Location From county road West of location.  
 Distance & Direction From Hwy Jct or Town From Lone Grove, Oklahoma, go ±4.0 mi. West on U.S. Hwy. 70,  
then ±1.0 mi. North, then ±1.0 mi. West, then ±1.0 mi. North to the SW Corner of Section 18, T4S-R1W

DATUM: NAD-27  
 LAT: 34°12'21.2"N  
 LONG: 97°20'51.8"W  
 LAT: 34.205878491°  
 LONG: 97.347726603°  
 STATE PLANE  
 COORDINATES: (US Feet)  
 ZONE: OK SOUTH  
 X: 2197218  
 Y: 318166

Revision  A Date of Drawing: Jan. 02, 2013  
 Invoice # 194278 Date Staked: Dec. 19, 2012 LKG

**CERTIFICATE:**  
 I, Thomas L. Howell a Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.  
Thomas L. Howell  
 Oklahoma Lic. No. 1433



This information was gathered with a GPS receiver with Sub-Meter accuracy.