

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

API NUMBER: 083 24378

Approval Date: 03/04/2015  
Expiration Date: 09/04/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 16N Rge: 4W

County: LOGAN

SPOT LOCATION:  NW  NE  NE  NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 200 500

Lease Name: MEL

Well No: 1-29H

Well will be 200 feet from nearest unit or lease boundary.

Operator Name: PAYNE EXPLORATION COMPANY

Telephone: 4058439419

OTC/OCC Number: 918 0

PAYNE EXPLORATION COMPANY  
7005 N ROBINSON AVE  
OKLAHOMA CITY, OK 73116-9044

JOHN HANCOCK  
1000 WOODLAND DRIVE  
NORMAN OK 73102

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

Name	Depth	Name	Depth
1 HUNTON	6882	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 633541

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201408346

Special Orders:

Total Depth: 12000

Ground Elevation: 1022

**Surface Casing: 500**

Depth to base of Treatable Water-Bearing FM: 410

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: 6800 Average: 4300

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: GARBER

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

PERMIT NO: 15-29661

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 29 Twp 16N Rge 4W County LOGAN

Spot Location of End Point: S2 S2 S2 SE

Feet From: SOUTH 1/4 Section Line: 200

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 6400

Radius of Turn: 750

Direction: 190

Total Length: 4422

Measured Total Depth: 12000

True Vertical Depth: 6882

End Point Location from Lease,  
Unit, or Property Line: 200

Notes:

Category

Description

PENDING CD - 201408346

3/4/2015 - G75 - (I.O.)  
X633541 HNTN  
SHL NCT 50 FSL, NCT 660 FEL 20-16N-4W \*\*  
FIRST PERF NCT 200 FNL, NCT 660 FEL E2 29-16N-4W  
LAST PERF NCT 200 FSL, NCT 660 FEL E2 29-16N-4W  
NO OP. NAMED  
REC 1-5-2015 (P. PORTER)

\*\* ITD HAS SHL AS 200 FNL, 500 FEL 29-16N-4W; TO BE CORRECTED AT HEARING FOR FINAL  
ORDER LOCATION EXCEPTION PER OPERATOR

SPACING - 633541

3/4/2015 - G75 - (320)(HOR) E2 29-16N-4W  
EST HNTN, OTHER  
POE TO BHL NCT 660' FB  
(COEXIST SP. ORDER # 59758/64938 HNTN E2)