

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

API NUMBER: 119 24335

Approval Date: 03/16/2015

Expiration Date: 09/16/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 18N Rge: 1W

County: PAYNE

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 268 682

Lease Name: CAPONE 2-18N-1W

Well No: 1WH

Well will be 268 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

RICHARD M. JR. & LISA G. CAPONE
1915 S DEVON LEA
STILLWATER OK 74074

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

Name	Depth	Name	Depth
1 WOODFORD	5078	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 604649

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201500624
201500623

Special Orders:

Total Depth: 10500

Ground Elevation: 1008

Surface Casing: 520

Depth to base of Treatable Water-Bearing FM: 470

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? 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: WELLINGTON

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 15-29565
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 18N Rge 1W County PAYNE

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 650

Depth of Deviation: 4519

Radius of Turn: 600

Direction: 180

Total Length: 5038

Measured Total Depth: 10500

True Vertical Depth: 5462

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

PENDING CD - 201500623

3/13/2015 - G76 - 2-18N-1W
X604649 WDFD
1 WELL
NO OP. NAMED
HRG ON 3/24/2015

PENDING CD - 201500624

3/13/2015 - G76 - (I.O.) 2-18N-1W
X604649 WDFD, OTHERS
COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 330 FWL
NO OP. NAMED
REC. 3/13/2015 (DUNN)

SPACING - 604649

2/9/2015 - G76 - (640/160) 2-18N-1W
VAC OTHERS
EST (160) OTHERS
EXT (160) OTHERS
EXT 603006 (640)(HOR) WDFD, OTHERS
POE TO BHL NCT 330' FB
(SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST WITH
PRODUCING NON-HORIZONTAL SPACING UNITS)

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119 24335 CAPONE 2-18N-1W 1WH