API NUMBER: 019 26176

Oil & Gas

Horizontal Hole

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

Approval Date: 03/17/2015 09/17/2015 **Expiration Date**

PERMIT TO DRILL

County: CARTER WELL LOCATION: Sec: Twp: 3S Rge: 2E

FEET FROM QUARTER: SPOT LOCATION: NW FROM NORTH WEST NW NW llnw SECTION LINES: 270

Lease Name: KNOWLES Well No: 2-27H22 Well will be 270 feet from nearest unit or lease boundary.

290

XTO ENERGY INC Operator OTC/OCC Number: Telephone: 8178853255; 8178852 21003 0 Name:

XTO ENERGY INC 810 HOUSTON ST

FORT WORTH. TX 76102-6203 DONIECE KNOWLES 427 N ROCKFORD PLACE

ARDMORE OK 73401

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

Name Depth Name Depth WOODFORD 12876 1 6 2 7 8 3 4 9 10 197431 Spacing Orders: Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201501101 Special Orders:

201501096

Total Depth: 18600 Ground Elevation: 817 Surface Casing: 1990 Depth to base of Treatable Water-Bearing FM: 560

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: Yes Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids: PIT 1 INFORMATION

Type of Pit System: ON SITE A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: AIR D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 15-29648

H. SEE MEMO Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well?

Wellhead Protection Area?

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: GODDARD

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

PIT 2 INFORMATION

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?

Pit is not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: CPit Location is NON HSA

Pit Location Formation: GODDARD

PIT 3 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 200000

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: GODDARD

HORIZONTAL HOLE 1

Sec 22 Twp 3S Rge 2E County CARTER

Spot Location of End Point: NE NW NE NW

Feet From: NORTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 1660

Depth of Deviation: 12363 Radius of Turn: 637

Direction: 15

Total Length: 5236

Measured Total Depth: 18600
True Vertical Depth: 13216
End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category Description

DEEP SURFACE CASING 3/13/2015 - 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

MEMO 3/13/2015 - G71 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 -

OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

Category Description

PENDING CD - 201501096 3/17/2015 - G76 - (E.O.) 22-3S-2E

X197431 WDFD 4 WELLS XTO ENERGY INC.

REC. 3/13/2015 (P. PORTER)

PENDING CD - 201501101 3/17/2015 - G76 - (E.O.) 22-3S-2E

X197431 WDFD, OTHERS SHL 270 FNL, 290 FWL 27-3S-2E

COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 1610 FWL

XTO ENERGY INC.

REC. 3/13/2015 (P. PORTER)

SPACING - 197431 3/17/2015 - G76 - (640) 22-3S-2E

EXT OTHERS

EXT 124789 WDFD, OTHERS