

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

API NUMBER: 019 26177

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 3S Rge: 2E County: CARTER
SPOT LOCATION: NW NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 270 270

Lease Name: KNOWLES Well No: 3-27H22 Well will be 270 feet from nearest unit or lease boundary.
Operator Name: XTO ENERGY INC Telephone: 8178853255; 8178852 OTC/OCC Number: 21003 0

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 |
|------------|-------|------|-------|
| 1 WOODFORD | 12725 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 197431

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201501102
201501096

Special Orders:

Total Depth: 18120

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

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: AIR

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: 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).

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

H. SEE MEMO

PERMIT NO: 15-29649

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.

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? 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

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 NE NW NW

Feet From: NORTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 1020

Depth of Deviation: 12163

Radius of Turn: 637

Direction: 10

Total Length: 4956

Measured Total Depth: 18120

True Vertical Depth: 13065

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 |

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| 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 - 201501102 | 3/17/2015 - G76 - (E.O.) 22-3S-2E X197431 WDFD, OTHERS SHL 270 FNL, 270 FWL 27-3S-2E COMPL. INT. NCT 165 FSL, NCT 165 FNL, NCT 970 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 |

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