

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

API NUMBER: 039 22460

Approval Date: 03/23/2015

Expiration Date: 09/23/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 15N Rge: 17W County: CUSTER
SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 330 1050

Lease Name: ELKHORN Well No: 1-18H Well will be 330 feet from nearest unit or lease boundary.
Operator Name: ENCINO OPERATING LLC Telephone: 2812547042 OTC/OCC Number: 23270 0

ENCINO OPERATING LLC
675 BERING DR STE 360
HOUSTON, TX 77057-2266

AMBASSADOR INN, INC.
P.O. BOX 1167
GUYMON OK 73942

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8781	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 635174

Location Exception Orders: 637287

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13900 Ground Elevation: 1828 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 290

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: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: WATER BASED

Chlorides Max: 80000 Average: 15000

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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 18 Twp 15N Rge 17W County CUSTER

Spot Location of End Point: W2 NW NE NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1050

Depth of Deviation: 8121

Radius of Turn: 660

Direction: 360

Total Length: 4742

Measured Total Depth: 13900

True Vertical Depth: 8781

End Point Location from Lease,

Unit, or Property Line: 330

Notes:

Category

Description

DEEP SURFACE CASING

3/16/2015 - G64 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

LOCATION EXCEPTION - 637287

3/19/2015 - G75 - (I.O.)
X635174 CGGV
SHL 330 FNL, 1000 FEL 19-15N-17W **
COMPL. INT. NCT 330 FSL, NCT 330 FNL, NCT 1000 FEL 18-15N-17W
FELIX ENERGY, LLC ++
3-4-2015

** ITD HAS SHL AS 330 FNL, 1050 FEL 19-15N-17W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

++ S/B ENCINO OP. LLC; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

SPACING - 635174

3/19/2015 - G75 - (640)(HOR) 18-15N-17W
EXT 630869 CGGV
POE TO BHL NLT 660' FB
(COEXIST SP. ORDER # 42633 MSRN)