

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

API NUMBER: 083 24388 A

Approval Date: 03/01/2016
Expiration Date: 09/01/2016

Horizontal Hole Oil & Gas

Amend reason: ADD WOODFORD FORMATION, UPDATE ORDER

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 17N Rge: 4W

County: LOGAN

SPOT LOCATION: SE SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 133 350

Lease Name: HILL

Well No: 1-19HH

Well will be 133 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

GARY ENFIELD
26621 EAST PHILLIPS AVENUE
GARBER OK 73738

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

| Name | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 WOODFORD | 6903 | 6 | |
| 2 HUNTON | 7000 | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 639684

Location Exception Orders: 651268

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12515

Ground Elevation: 1090

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 320

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-30993

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 19 Twp 17N Rge 4W County LOGAN

Spot Location of End Point: S2 S2 SE SW

Feet From: SOUTH 1/4 Section Line: 100

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 6400

Radius of Turn: 900

Direction: 165

Total Length: 4701

Measured Total Depth: 12515

True Vertical Depth: 7000

End Point Location from Lease,
Unit, or Property Line: 100

Notes:

Category

Description

HYDRAULIC FRACTURING

1/11/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

LOCATION EXCEPTION - 651268

2/10/2016 - G60 - (I.O.) W2 19-17N-4W
X639684 HNTN, WDFD
SHL (18-17N-4W) NCT 133' FSL, NCT 350' FWL
COMPL. INT. (19-17N-4W) NCT 200' FNL, NCT 200' FSL, NCT 660' FWL
NO OP. NAMED
4-21-16

SPACING - 639684

1/15/2016 - G60 - (320)(HOR) W2 19-17N-4W
EXT 611496/611817 HNTN, WDFD
COMPL. INT. NCT 660' FB HNTN
COMPL. INT. NCT 330' FB WDFD

SURFACE CASING

1/11/2016 - G71 - MIN. 500' PER ORDER # 59052/66227