

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

API NUMBER: 019 26250 A

Approval Date: 02/09/2017  
Expiration Date: 08/09/2017

Horizontal Hole Oil & Gas

Amend reason: OCC CORRECTION - CHANGE BTW

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 3S Rge: 2W

County: CARTER

SPOT LOCATION:  SW  SE  SE  NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 2400 480

Lease Name: RD MCCREA

Well No: 1-32-29XH

Well will be 480 feet from nearest unit or lease boundary.

Operator Name: AVALON OPERATING LLC

Telephone: 9185230600

OTC/OCC Number: 23929 0

AVALON OPERATING LLC  
15 W 6TH ST STE 2300  
TULSA, OK 74119

HAROLD AND HAZEL ROZZELL, RAFTER R FARMS  
368 WOODLAND ROAD  
WILSON OK 73463

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

	Name	Depth	Name	Depth
1	WOODFORD	6850	6	
2	HUNTON (LS CHIMNEY HILL)	9250	7	
3			8	
4			9	
5			10	

Spacing Orders: 648229  
659946  
660605

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201605671

Special Orders:

Total Depth: 16000

Ground Elevation: 913

**Surface Casing: 800**

Depth to base of Treatable Water-Bearing FM: 750

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

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: 17-32108

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: 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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 29 Twp 3S Rge 2W County CARTER

Spot Location of End Point: S2 NW NW SW

Feet From: SOUTH 1/4 Section Line: 2105

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 8300

Radius of Turn: 700

Direction: 314

Total Length: 6600

Measured Total Depth: 16000

True Vertical Depth: 9250

End Point Location from Lease,  
Unit, or Property Line: 330

Notes:

Category

Description

HYDRAULIC FRACTURING

2/6/2017 - 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

MEMO

2/6/2017 - G71 - PIT 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201605671

2/9/2017 - G64 - (I.O.) 32 & NW4, S2 29-3S-2W  
X648229 WDFD, HTLCH 32-3S-2W  
X659946 WDFD, HTLCH NW4 & S2 29-3S-2W  
COMPL. INT. (32-3S-2W) NCT 2640' FSL, NCT 0' FNL, NCT 330' FEL  
COMPL. INT. (NW4 & S2 29-3S-2W) NCT 0' FSL, NCT 2405' FSL, NCT 330' FWL  
AVALON OPERATING, LLC  
REC. 12-23-2016 (JOHNSON)

SPACING - 648229

2/9/2017 - G64 - (640)(HOR) 32-3S-2W  
EXT 643868 WDFD, HTLCH  
COMPL. INT. (HTLCH) NLT 660' FB  
COMPL. INT. (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL  
(COEXIST SP. ORDER 221542 HNTN & ORDER 562736 HNTN, WDFD)

SPACING - 659946

2/9/2017 - G64 - (480)(HOR)(IRR. UNIT) NW4 & S2 29-3S-2W  
EST WDFD, HTLCH  
COMPL. INT. (HTLCH) NLT 660' FB  
COMPL. INT. (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL  
(COEXIST SP. ORDER 265301 HNTN)

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The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

019 26250 RD MCCREA 1-32-29XH

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.

Category

Description

SPACING - 660605

2/9/2017 - G64 - (I.O.) 32 & NW4, S2 29-3S-2W  
EST MULTIUNIT HORIZONTAL WELL  
X648229 WDFD, HTLCH 32-3S-2W  
X659946 WDFD, HTLCH NW4 & S2 29-3S-2W  
(HTLCH ASSOCIATED COMMON SOURCE OF SUPPLY TO WDFD)  
47% 29-3S-2W  
53% 32-3S-2W  
AVALON OPERATING, LLC  
2-3-2017

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