

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

API NUMBER: 045 23253

Approval Date: 09/28/2012
Expiration Date: 03/28/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 18N Rge: 25W County: ELLIS
SPOT LOCATION: S2 S2 SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 230 1980

Lease Name: MCQUIGG 20 Well No: 1H Well will be 230 feet from nearest unit or lease boundary.

Operator Name: MEWBOURNE OIL COMPANY Telephone: 9035612900; 4052356 OTC/OCC Number: 6722 0

MEWBOURNE OIL COMPANY
P. O. BOX 7698
TYLER, TX 75711-7698

JEFFREY D. WAYLAND
RT. 1, BOX 114
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 TONKAWA	7615	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 51093
78094

Location Exception Orders: 599785

Increased Density Orders:

Pending CD Numbers: 201206178

Special Orders:

Total Depth: 12058

Ground Elevation: 2165

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 590

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 25000 Average: 7500

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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 20 Twp 18N Rge 25W County ELLIS

Spot Location of End Point: C N2 NE NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 1980

Depth of Deviation: 7042

Radius of Turn: 573

Direction: 360

Total Length: 4116

Measured Total Depth: 12058

True Vertical Depth: 7615

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

Notes:

Category

Description

DEEP SURFACE CASING

9/21/2012 - G71 - APPROVED

LOCATION EXCEPTION - 599785

9/24/2012 - G75 - (I.O.) 20-18N-25W
X51093 TNKW
SHL NCT 230 FSL, NCT 1980 FWL
POE NCT 600 FSL, NCT 1700 FWL
BHL NCT 330 FNL, NCT 1700 FWL
MEBOURNE OIL CO.
7-13-2012

PENDING CD - 201206178

9/27/2012 - G75 - AMD 78094 CHANGING DGLS TO DGLTK
HEARING 10/22/12

SPACING - 51093

9/24/2012 - G75 - (640) ALL -18N-25W
EST TNKW

SPACING - 78094

9/24/2012 - G75 - (640) 20-18N-25W
EST DGLS, OTHERS (AMD BY 201206178 TO DGLTK)