

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

API NUMBER: 045 23257

Approval Date: 10/08/2012
Expiration Date: 04/08/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 24 Twp: 18N Rge: 24W County: ELLIS
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 100 880

Lease Name: SHREWDER Well No: 1-13H Well will be 100 feet from nearest unit or lease boundary.
Operator Name: PRIMARY NATURAL RESOURCES III LLC Telephone: 9184950598 OTC/OCC Number: 22514 0

PRIMARY NATURAL RESOURCES III LLC
7134 S YALE AVE STE 430
TULSA, OK 74136-6351

MRS. LAURA WESCOTT CORSE
5110 S. YALE, SUITE 400
TULSA OK 74135

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

	Name	Depth	Name	Depth
1	TONKAWA	7928	6	
2	COTTAGE GROVE	8453	7	
3	MISSOURIAN (LESS COTT GRVE)	9040	8	
4			9	
5			10	

Spacing Orders: 86389
202657

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201205572

Special Orders:

Total Depth: 14060

Ground Elevation: 2460

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 840

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 100000 Average: 5000

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: OGALLALA

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

PERMIT NO: 12-21569

H. SEE MEMO

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: 36000 Average: 29000

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: OGALLALA

HORIZONTAL HOLE 1

Sec 13 Twp 18N Rge 24W County ELLIS

Spot Location of End Point: C N2 NW NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 8797

Radius of Turn: 600

Direction: 90

Total Length: 4321

Measured Total Depth: 14060

True Vertical Depth: 9397

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

Notes:

Category	Description
DEEP SURFACE CASING	10/8/2012 - G30 - APPROVED
MEMO	10/8/2012 - G30 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (PER OPERATOR OPTION); PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 201205572	10/8/2012 - G30 - 13-18N-24W X86389 TNKW, CGGV X202657 MSLCG POE NCT 330 TO SL, NCT 660 TO WL BHL NCT 330 TO NL, NCT 660 TO WL NO OP. NAMED REC 10/2/12 (MCKEOWN)
SPACING - 202657	10/8/2012 - G30 - (640) 13-18N-24W EST MOLCG, DSULO, OTHERS EXT OTHERS
SPACING - 86389	10/8/2012 - G30 - (640) 13-18N-24W EXT 68593 TNKW, CGGV, OTHERS EXT OTHERS EST OSWG

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