

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

API NUMBER: 045 23260

Approval Date: 10/12/2012
Expiration Date: 04/12/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 18N Rge: 24W County: ELLIS
SPOT LOCATION: SE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 250 700

Lease Name: HANNAH MAE Well No: 5-2H Well will be 250 feet from nearest unit or lease boundary.

Operator Name: EOG RESOURCES INC Telephone: 4052463226; 7136517 OTC/OCC Number: 16231 0

EOG RESOURCES INC
3817 NW EXPRESSWAY STE 500
OKLAHOMA CITY, OK 73112-1483

DAVIS & DAUGHTERS INVESTMENT, LLC
719 S. MAIN ST.
SHATTUCK OK 73858

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

Name	Depth	Name	Depth
1 MARMATON	8975	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 594268

Location Exception Orders:

Increased Density Orders: 602593

Pending CD Numbers: 201205387

Special Orders:

Total Depth: 13808

Ground Elevation: 2310

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 590

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: 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 12-21616
H. CLOSED SYSTEM=STEEL PITS (PER OPERATOR OPTION)

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 05 Twp 18N Rge 24W County ELLIS

Spot Location of End Point: E2 NE NW NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 1330

Depth of Deviation: 9477

Radius of Turn: 448

Direction: 352

Total Length: 4331

Measured Total Depth: 13808

True Vertical Depth: 9145

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

Notes:

Category	Description
DEEP SURFACE CASING	10/12/2012 - G30 - APPROVED; IF CIRCULATION IS LOST, NOTIFY THE OCC DISTRICT OFFICE IMMEDIATELY
INCREASED DENSITY - 602593	10/12/2012 - G30 - 5-18N-24W X594268 MRMN 1 WELL EOG RESOURCES, INC. 9/28/12
PENDING CD - 201205387	10/12/2012 - G30 - 5-18N-24W X594268 MRMN SHL NCT 250 FSL, NCT 700 FEL POE NCT 330 FSL, NCT 700 FEL BHL NCT 330 FNL, NCT 1330 FEL NO OP. NAMED REC 9/17/12 (OSBURN)
SPACING - 594268	10/12/2012 - G30 - (640) 5-18N-24W EST MRMN, OTHERS NCT 660' FB

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