

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

API NUMBER: 045 23280

Approval Date: 11/20/2012
Expiration Date: 05/20/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 20N Rge: 26W

County: ELLIS

SPOT LOCATION: SW SW SE SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 300 1585

Lease Name: KELLN

Well No: 16-6H

Well will be 300 feet from nearest unit or lease boundary.

Operator Name: JONES ENERGY LTD

Telephone: 5123282953

OTC/OCC Number: 21043 0

JONES ENERGY LTD
807 LAS CIMAS PKWY STE 350
AUSTIN, TX 78746-6193

TRUDY & TEMPLE APPEL FAMILY TRUST
RT. 2, BOX 96B
SHATTUCK OK 73858

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

Name	Depth	Name	Depth
1 CLEVELAND	7890	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 122784

Location Exception Orders: 604084

Increased Density Orders: 603110

Pending CD Numbers: 201206965

Special Orders:

Total Depth: 12311

Ground Elevation: 2355

Surface Casing: 610

Depth to base of Treatable Water-Bearing FM: 560

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: 100000 Average: 8000

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 BED AQUIFER

Pit Location Formation: OGALLALA

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 16 Twp 20N Rge 26W County ELLIS

Spot Location of End Point: SW NW NE NW

Feet From: NORTH 1/4 Section Line: 500

Feet From: WEST 1/4 Section Line: 1585

Depth of Deviation: 7240

Radius of Turn: 650

Direction: 360

Total Length: 4050

Measured Total Depth: 12311

True Vertical Depth: 8089

End Point Location from Lease,
Unit, or Property Line: 500

Notes:

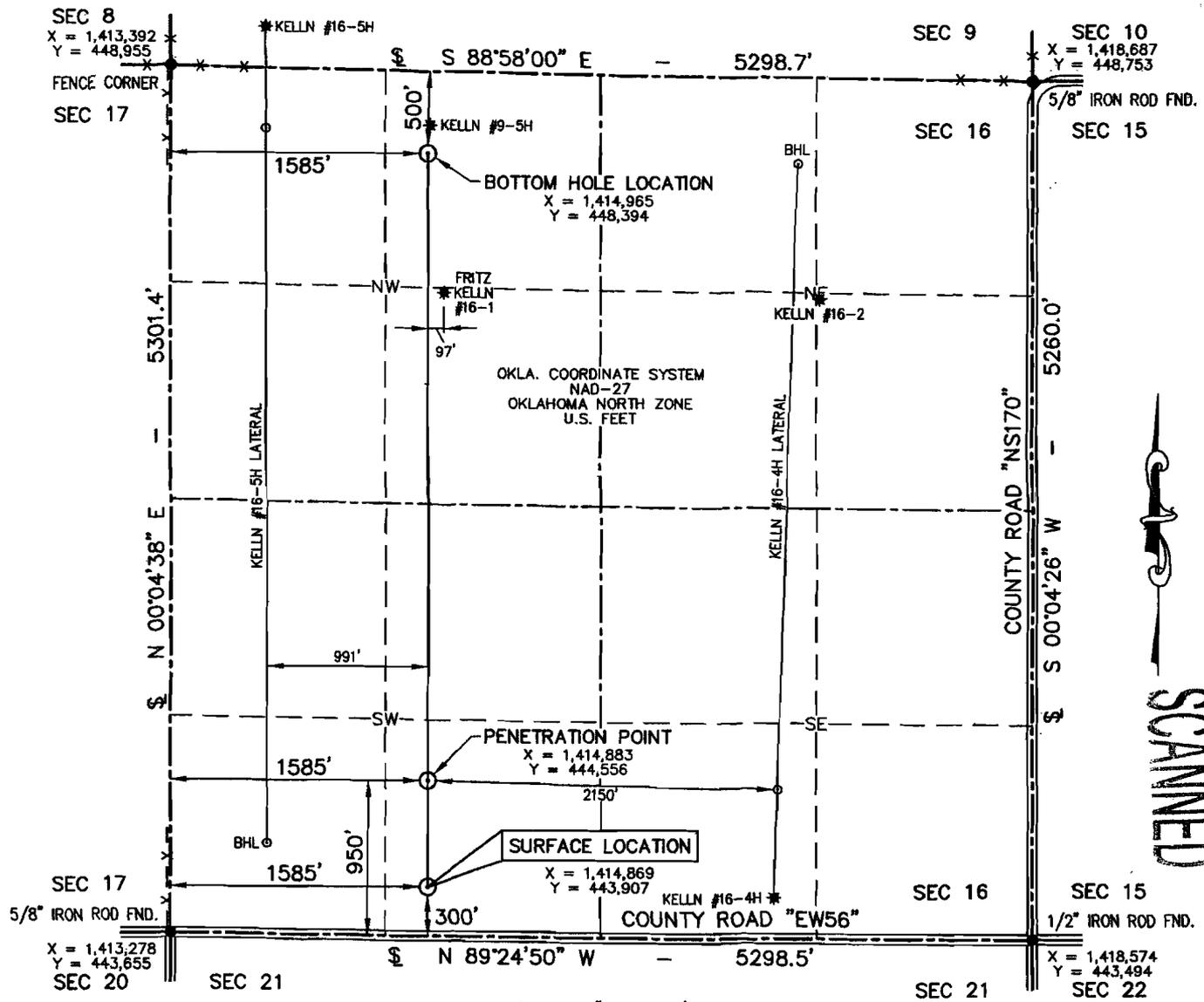
Category	Description
INCREASED DENSITY - 603110	10/15/2012 - G75 - (E.O.) 16-20N-26W X122784 CLVD 2 WELLS JONES ENERGY, LTD. 10-12-2012
LOCATION EXCEPTION - 604084	10/15/2012 - G75 - (I.O.) 16-20N-26W X122784 CLVD SHL NCT 300 FSL, NCT 1585 FWL POE NCT 950 FSL, NCT 1585 FWL BHL NCT 500 FNL, NCT 1585 FWL JONES ENERGY, LTD. 11-13-2012
PENDING CD - 201206965	10/29/2012 - G75 - (I.O.) 16-20N-26W X165:10-3-28(C)(2)(B) CLVD <600 FRITZ KELLN 16-1 (API 045-20660) JONES ENERGY, LTD REC 11-19-2012 (PETERSON)
SPACING - 122784	10/15/2012 - G75 - (640) 16-20N-26W EST CLVD, OTHERS

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.

API 045-23280

PROPOSED NEW WELL LOCATION PLAT

COMPANY JONES ENERGY, LTD LEASE KELLN WELL NO. 16-6H
 SECTION 16 TOWNSHIP 20-N RANGE 26-WM LOCATION 300' FSL 1585' FWL
 COUNTY ELLIS STATE OKLAHOMA TOPOGRAPHY AND VEGETATION PASTURE
 LATITUDE 36°12'11.1" LONGITUDE 99°59'00.0" NAD27 ELEVATION 2355' NGVD29 DATE STAKED 8/13/12
 DIRECTION FROM NEAREST TOWN APPROXIMATELY 7.5 MILES SOUTHWEST OF SHATTUCK, OKLAHOMA



SCANNED

- NOTE:**
- This plat is intended for Oklahoma Corporation Commission Permit purposes only and is NOT to be relied upon as a boundary survey and is NOT to be used to convey or establish real property interests.
 - Bearings and dimensions shown are based on Geodetic Azimuth and Ground distance. All X,Y coordinates are based on NAD27, Oklahoma North Zone, U.S. Feet.
 - X,Y Coordinates were derived from GPS RTK methods and are only accurate within +/- 10 feet.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY MYSELF OR OTHERS UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNED:  DATED: 8/15/12



APEX
 SURVEYING & MAPPING, INC.
 TEXAS * OKLAHOMA * KANSAS
 8330 CANYON DRIVE
 AMARILLO, TEXAS 79119
 806-353-7231
 105 HACKBERRY TRAIL
 CANADIAN, TEXAS 79014
 806-323-9773
 Certificate of Authorization No. 3415, Exp. June 30, 2014

JONES
 807 LAS CRUCES PARKWAY
 SUITE 350
 AUSTIN, TEXAS 78746

FIELD:	KB,GPS
DRAWN:	MLS
DATE:	8/15/12
CHECKED:	JRD
REVISION:	

JOB NO. 212-368-1.1

ADI 045-23280

APPLICATION TO DRILL, RECOMPLETE OR REENTER

FORM 1000
REV. 2009

FILE ORIGINAL ONLY
PLEASE TYPE OR USE BLACK INK

1. OTC/OCC OPERATOR NUMBER 21043
2. API NUMBER

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

BATCH NUMBER (OCC USE ONLY)

WALK THROUGH

3. NOTICE OF INTENT TO: (CHECK ONLY ONE)
 DRILL RECOMPLETE REENTER DEEPEN AMEND - REASON
 NOTE: ATTACH COPY OF 1002-A IF RECOMPLETION OR REENTRY.

4. TYPE OF DRILLING OPERATION >>>>>>> (NOTE: If directional or horizontal, see reverse side for bottom hole location)
 A. STRAIGHT HOLE DIRECTIONAL HOLE HORIZONTAL HOLE
 B. OIL/GAS INJECTION DISPOSAL WATER SUPPLY STRAT TEST SERVICE WELL

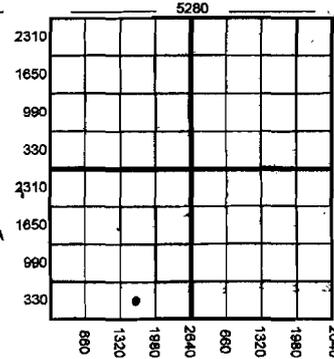
6. LOCATE WELL AND OUTLINE
LEASE OR SPACING UNIT IN INK.

5. WELL LOCATION:

SECTION 16	TOWNSHIP 20N	RANGE 26W	COUNTY Ellis
SPOT LOCATION SW 1/4 SW 1/4 SE 1/4 SW 1/4		FEET FROM QUARTER from SOUTH LINE from WEST LINE SECTION LINES: 300 FSL 1585 FWL	

7. Well will be **300** feet from nearest unit or property boundary.
 8. LEASE NAME: **Kelln** WELL NUMBER: **16-6 H**
 9. NAME OF OPERATOR: **Jones Energy, Ltd.** EMAIL ADDRESS: **sarbenowske@jonesenergy.com**
 ADDRESS: **807 Las Cimas Pkwy, #350** PHONE (ACNO.): **(612) 328-2953**
 CITY: **Austin, Texas** STATE: **TX** ZIP CODE: **78746**

10. SURFACE OWNER (ONE ONLY, ATTACH SHEET FOR ADDITIONAL OWNERS)
Trudy and Temple Appel Family Trust
 ADDRESS: **Route 2 Box 96B**
 CITY: **Shattuck** STATE: **Oklahoma** ZIP CODE: **73858**



11. Is well located on lands under federal jurisdiction? Y N
 12. Will a water well be drilled? Y N
 Will surface water be used? Y N

14. LIST TARGET FORMATIONS AND DEPTHS OF EACH BELOW (LIMITED TO TEN)

1) Cleveland, 7890	6)
2)	7)
3)	8)
4)	9)
5)	10)

TEMPORARY AUTHORIZATION TO DRILL
 Expiration Date: **11-20-2012**
 Signature: **Mignicia Hullinger**
 105:10 3-1

15. SPACING ORDER NUMBER(S) AND SIZE UNIT(S):
640 Acres 122784
 16. PENDING APPLICATION C.D. NO. **201206965 (11-19)**
 17. LOCATION EXCEPTION ORDER NO. **201205929**
 18. INCREASED DENSITY ORDER NO.

19. TOTAL DEPTH **12311** 20. GROUND ELEV. **2355** 21. BASE OF TREATABLE WATER **560** 22. SURFACE CASING **610** 23. ALT CASING PROG USED? Y N

24. ALTERNATIVE CASING PROCEDURE, check box and fill in blank (AFFIDAVIT REQUIRED, see reverse side, line 31.)
 A. Cement will be circulated from total depth to ground surface on the production casing string.
 B. Cement will be circulated from _____ depth to _____ depth by use of a two stage cementing tool.
 25.1. PIT INFORMATION: Using more than one pit or mud system? Y N If yes, fill out line 25.2 on top reverse side.
 A. TYPE OF MUD SYSTEM: WATER BASED OIL BASED GAS BASED (AIR DRILL)
 B. EXPECTED MUD CHLORIDE CONTENT: maximum: **100,000** ppm; average: **8,000** ppm.
 C. TYPE OF PIT SYSTEM: on-site off-site closed If off-site, specify location:
 D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? Y N
 E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y N
 F. WELLHEAD PROTECTION AREA? Y N Off-Site Pit No. _____

26.1 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C
 B. PIT LOCATION: Alluvial Plain Terrace Deposit Bedrock Aquifer Other H.S.A. Non-H.S.A. Fr: **Ogallala**
 C. Special area or field rule? D. DEEP SCA? Y N E. CBL required? Y N
 F. SOIL COMPACTED LINER REQUIRED? Y N G. 20 mil GEOMEMBRANE LINER REQUIRED? Y N

27. PROPOSED METHOD FOR DISPOSAL OF DRILLING FLUIDS (MUST BE COMPLETED)
 A. Evaporation/dewater and backfilling of reserve pit.
 B. Solidification of pit contents.
 C. Annular injection (REQUIRES PERMIT and surface casing set 200 feet below base of treatable water-bearing formation.) PERMIT NO. _____
 D. One time land application (REQUIRES PERMIT) PERMIT NO. _____
 E. Haul to Commercial pit facility; Specify site: _____ Order No. _____
 F. Haul to Commercial soil farming facility; Specify site: _____ Order No. _____
 G. Haul to recycling/re-use facility; Specify site: _____ Order No. _____
 H. Other, Specify: **soil compacted pit, notify District prior to testing soil pit liner**

I hereby certify I am authorized to submit this two page application prepared by me or under my supervision.
 The facts and proposals made herein are true, correct and complete to the best of my knowledge and belief.

SIGNATURE: **Sara Arbenowske** NAME (Print or Type): **Sara Arbenowske** PHONE (ACNO.): **(612) 328-2953** FAX: **(612) 328-5894** DATE: **10/11/2012**

NOTICE: Approval is void if operations have not commenced within six months of the date of approval. An approved permit must be posted at the location during drilling and completion operations.
 File the Form 1001A, Spud Report, within fourteen days of commencement of operations.

SEC 16
 TOWNSHIP 20N
 RANGE 26W
 Kelln 16-6 H

SCANNED

NOTIFY DISTRICT OFFICE 24 HOURS PRIOR TO CEMENTING SURFACE GASING.

25.2. PIT INFORMATION:

A. TYPE OF MUD SYSTEM: WATER BASED OIL BASED GAS BASED (AIR DRILL)
 B. EXPECTED MUD CHLORIDE CONTENT: maximum: _____ ppm; average: _____ ppm.
 C. TYPE OF PIT SYSTEM: on-site off-site closed If off-site, specify location: _____
 D. IS DEPTH TO TOP OF GROUND WATER GREATER THAN 10 FT BELOW BASE OF PIT? Y N
 E. WITHIN 1 MILE OF MUNICIPAL WATER WELL? Y N Off-Site Pit No. _____
 F. WELLHEAD PROTECTION AREA? Y N

26.2 OCC USE ONLY A. CATEGORY 1A 1B 2 3 4 C Fm: _____
 B. PIT LOCATION: Alluvial Plain Terrace Deposit Bedrock Aquifer Other H.S.A. Non-H.S.A.
 C. Special area or field rule? _____ D. DEEP SCA? Y N E. CBL? Y N
 F. SOIL COMPACTED LINER REQUIRED? Y N G. 20 mil GEOMEMBRANE LINER REQUIRE? Y N

29 Bottom Hole Location SEC _____ TWP _____ RGE _____ COUNTY _____
 for Directional Hole:

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES: _____

Measured Total _____ True Vertical _____ BHL from nearest Lease, Unit, Or Property Line: _____
 Depth _____

30. Bottom Hole Location for Horizontal Hole: (LATERALS)

LATERAL #1: SEC 16 TWP 20 N RGE 26 W COUNTY ELLIS

SPOT LOCATION: SW 1/4 NW 1/4 NE 1/4 NW 1/4 FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES: 500 FNL 1585 FNL

Depth of Deviation _____ Radius of Turn _____ Direction 360° Total Length 4050

Measured Total _____ True Vertical _____ End Point location from nearest lease, unit
 Depth 12311 Depth 8089 or property line: 500 FNL

LATERAL #2: SEC _____ TWP _____ RGE _____ COUNTY _____

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES: _____

Depth of Deviation _____ Radius of Turn _____ Direction _____ Total Length _____

Measured Total _____ True Vertical _____ End Point location from nearest lease, unit
 Depth _____ Depth _____ or property line: _____

LATERAL #3: SEC _____ TWP _____ RGE _____ COUNTY _____

SPOT LOCATION: 1/4 _____ 1/4 _____ 1/4 _____ 1/4 _____ FEET FROM QUARTER from SOUTH LINE from WEST LINE
 SECTION LINES: _____

Depth of Deviation _____ Radius of Turn _____ Direction _____ Total Length _____

Measured Total _____ True Vertical _____ End Point location from nearest lease, unit
 Depth _____ Depth _____ or property line: _____

31. AFFIDAVIT FOR ALTERNATIVE CASING PROGRAM (Signature on front of this form attests to this affidavit)
 1. This well WILL WILL NOT penetrate any known lost circulation zones.
 2. During the drilling of this well, withdrawals from any water well within 1/4 mile WILL WILL NOT exceed 50 gallons per minute.
 3. The projected depth of the well IS IS NOT less than 100 feet from the top of any enhanced recovery project or gas storage facility.
 4. List the following for all water wells within 1/4 mile of this well (Information concerning some water wells may be obtained from the OKLAHOMA WATER RESOURCES BOARD, 3800 N. Classen Blvd., Oklahoma City, OK 73118). IF NO WATER WELLS FOUND, SO STATE. (ATTACH ADDITIONAL SHEET IF NECESSARY)

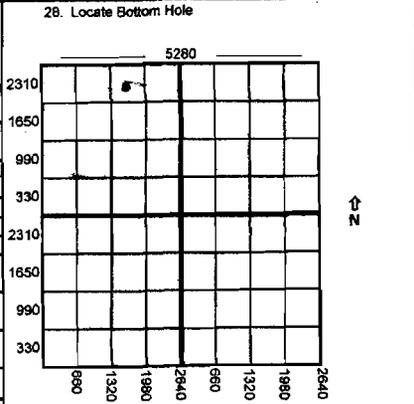
Name of Owner/Operator	Address of Owner/Operator	Location (Nearest 1/4 1/4 1/4 1/4)	Depth of Well

5. A cement bond log is required to be run and submitted from not less than 100 feet below the base of the treatable water-bearing formation to the surface. OCC USE ONLY
 6. If casing depth is more than 250 feet deeper than base of the treatable water-bearing formation, operator must submit a letter of request listing reasons and precautions to be taken.

INTENT TO DRILL CHECKLIST APPROVED _____ OCC USE ONLY _____ OCC USE ONLY _____

1. SURETY
 A. NONE filed.
 B. EXPIRED: Date 8-15-13
 C. OUTSTANDING CONTEMPT ORDER.
 4. GEOLOGY

DO NOT WRITE INSIDE THIS BOX



1. If more than two drainholes are proposed, attach separate sheet indicating the necessary information.
2. Direction must be stated in degrees azimuth.
3. Please note the horizontal drainhole and its end point must be located within the legal boundaries of the lease or spacing unit. Directional surveys are required for all drainholes and directional wells.

OKLA CORP COMM
 RECEIPT 1302460128
 Date: 10/15/2012 Time: 14:34
 Case: 00000000
 Cashier: MWS
 Payer: JONES ENERGY LTD
 Check: 73491 \$500.00
 45 Emerg Walk Thru LTD

SCANNED