

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

API NUMBER: 083 24046

Approval Date: 11/29/2012
Expiration Date: 05/29/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 18N Rge: 2W County: LOGAN
SPOT LOCATION: SE SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 260 475

Lease Name: C. MATTHEWS Well No: 5-18N-2W 1 WH Well will be 260 feet from nearest unit or lease boundary.
Operator Name: DEVON ENERGY PRODUCTION CO LP Telephone: 4052353611 OTC/OCC Number: 20751 0

DEVON ENERGY PRODUCTION CO LP
333 W SHERIDIAN AVE DEC 34.428
OKLAHOMA CITY, OK 73102-5010

SOUTH 54 FARM, LLC
PO BOX 18637
OKLAHOMA CITY OK 73154

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	5362	6	
2	WOODFORD	5655	7	
3	SYLVAN	5740	8	
4			9	
5			10	

Spacing Orders: 602693

Location Exception Orders: 604495

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 10285

Ground Elevation: 1015

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 200

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: GARBER

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

PERMIT NO: 12-21900

H. CONCRETE PITS PER OPERATOR REQUEST

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 2W County LOGAN

Spot Location of End Point: N2 N2 NE NE

Feet From: NORTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 4972

Radius of Turn: 716

Direction: 347

Total Length: 4417

Measured Total Depth: 10285

True Vertical Depth: 5740

End Point Location from Lease,
Unit, or Property Line: 50

Additional Surface Owner	Address	City, State, Zip
JERRY PFEIFFER	25497 N. PINE	ORLANDO, OK 73073

Notes:

Category	Description
DEEP SURFACE CASING	11/28/2012 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
LOCATION EXCEPTION - 604495	11/29/2012 - G30 - (I.O.) 5-18N-2W X602693 MSSP, WDFD, SLVN, OTHER POE NCT 0 FSL, NCT 330 FEL OR FWL 1ST PERF NCT 150 FSL, NCT 330 FEL OR FWL LAST PERF NCT 150 FNL, NCT 330 FEL OR FWL BHL NCT 0 FNL, NCT 330 FEL OR FWL DEVON ENERGY PRODUCTION CO, L.P. 11/26/12
SPACING - 602693	11/29/2012 - G30 - (640 HOR) 5-18N-2W EXT 600397 MSSP, WDFD, SLVN, OTHER (SUPERSEDE SP. ORDER #71705 MISS)

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083 24046 C. MATTHEWS 5-18N-2W 1 WH