

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

API NUMBER: 045 23294

Approval Date: 12/27/2012
Expiration Date: 06/27/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 32 Twp: 18N Rge: 24W County: ELLIS
SPOT LOCATION: NE NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 175 1570

Lease Name: JOHNSON TRUST Well No: 32-1H Well will be 175 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

JERRY D. JOHNSON & JACQUALYN J. KELSO
HCR 63, BOX 25A
ARNETT OK 73832

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

Name	Depth	Name	Depth
1 MARMATON	9450	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 604003

Location Exception Orders: 605771

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14230

Ground Elevation: 2364

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 570

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 BED AQUIFER

Pit Location Formation: CLOUD CHIEF

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

PERMIT NO: 12-22245

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 32 Twp 18N Rge 24W County ELLIS

Spot Location of End Point: E2 SW SE SE

Feet From: SOUTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 800

Depth of Deviation: 9827

Radius of Turn: 492

Direction: 171

Total Length: 4403

Measured Total Depth: 14230

True Vertical Depth: 9600

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

Notes:

Category	Description
DEEP SURFACE CASING	12/27/2012 - 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 - 605771	12/27/2012 - G30 - (I.O.) 32-18N-24W X604003 MRMN SHL NCT 175 FNL, NCT 1570 FEL POE NCT 330 FNL, NCT 1570 FEL BHL NCT 330 FSL, NCT 800 FEL EOG RESOURCES, INC. 12/20/12
SPACING - 604003	12/27/2012 - G30 - (640 HOR) 32-18N-24W EXT 588987/600333 MRMN, OTHERS

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