

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

API NUMBER: 045 23297

Approval Date: 01/07/2013  
Expiration Date: 07/07/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 18N Rge: 23W County: ELLIS  
SPOT LOCATION:  SE  SW  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 200 800

Lease Name: SHREWDER Well No: 4-19H Well will be 200 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

SHREWDER TRUST A & B C/O MATT FOOS  
PO BOX 1783  
DODGE CITY KS 67801

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

	Name	Depth	Name	Depth
1	TONKAWA	7956	6	
2	COTTAGE GROVE	8504	7	
3	CLEVELAND	9084	8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201208178  
201208179

Special Orders:

Total Depth: 13881 Ground Elevation: 2449 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 680

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: 13-22311  
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: 300000 Average: 200000

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 19 Twp 18N Rge 23W County ELLIS

Spot Location of End Point: C N2 NE NE

Feet From: NORTH 1/4 Section Line: 330

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 8189

Radius of Turn: 600

Direction: 90

Total Length: 4150

Measured Total Depth: 13881

True Vertical Depth: 9084

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

Notes:

Category

Description

DEEP SURFACE CASING

1/4/2013 - 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

MEMO

1/4/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201208178

1/7/2013 - G30 - (640 HOR) 19-18N-23W  
EXT 592221 TNKW, CGGV, CLVD, OTHER  
(SUPERSEDE SP. ORDER 199071 CGGV AND SP. ORDER 346245/428378 TNKW)  
(COEXIST WITH SP. ORDER 346245/428378 CLVD)  
REC. 12/31/12 (MCKEOWN)

PENDING CD - 201208179

1/7/2013 - G30 - 19-18N-23W  
X201208178 TNKW, CGGV, CLVD, OTHER  
1ST PERF NCT 330 FSL, NCT 330 FEL  
LAST PERF NCT 330 FNL, NCT 330 FEL  
NO OP. NAMED  
REC 12/31/12 (MCKEOWN)