

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

API NUMBER: 045 23312

Approval Date: 02/26/2013  
Expiration Date: 08/26/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 17N Rge: 24W County: ELLIS  
SPOT LOCATION:  SW  SW  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 250 1040

Lease Name: MILLER Well No: 3-2H 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

KENNETH K. KNOWLES  
HCR 63, BOX 6  
ARNETT OK 73832

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

| Name       | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 MARMATON | 9600  | 6    |       |
| 2          |       | 7    |       |
| 3          |       | 8    |       |
| 4          |       | 9    |       |
| 5          |       | 10   |       |

Spacing Orders: 601743

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201300490  
201300489

Special Orders:

Total Depth: 14130

Ground Elevation: 2362

**Surface Casing: 1500**

Depth to base of Treatable Water-Bearing FM: 610

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-22600

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 03 Twp 17N 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: 1550

Depth of Deviation: 9891

Radius of Turn: 506

Direction: 354

Total Length: 4239

Measured Total Depth: 14130

True Vertical Depth: 10397

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

Notes:

| Category               | Description   |
|------------------------|---|
| DEEP SURFACE CASING    | 2/15/2013 - 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  |
| PENDING CD - 201300489 | 2/15/2013 - G30 - 3-17N-24W<br>X601473 MRMN<br>1 WELL<br>NO OP. NAMED<br>REC 2/19/13 (LEAVITT)  |
| PENDING CD - 201300490 | 2/15/2013 - G30 - 3-17N-24W<br>X601473 MRMN<br>SHL NCT 250 FSL, NCT 1040 FEL<br>POE NCT 330 FSL, NCT 1040 FEL<br>BHL NCT 330 FNL, NCT 1550 FEL<br>NO OP. NAMED<br>REC 2/19/13 (LEAVITT) |
| SPACING - 601743       | 2/15/2013 - G30 - (640 HOR) 3-17N-24W<br>EXT 593688/579146 MRN, OTHERS<br>POE TO BHL 660' FB  |

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