

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

API NUMBER: 051 23651 A

Approval Date: 11/13/2012
Expiration Date: 05/13/2013

Directional Hole Oil & Gas

Amend reason: ADD FORMATION; CHANGE TO DIRECTIONAL WELL

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 5N Rge: 5W County: GRADY
SPOT LOCATION: SW NE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 889 950

Lease Name: **HOLDER A** Well No: **3-31** Well will be **889** feet from nearest unit or lease boundary.
Operator Name: **SHERIDAN PRODUCTION COMPANY LLC** Telephone: 7135481070; 9185927 OTC/OCC Number: 22220 0

SHERIDAN PRODUCTION COMPANY LLC
9 GREENWAY PLZ STE 1300
HOUSTON, TX 77046-0922

Alice M. STEPHENSON
P.O. BOX 141
ALEX OK 73002

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

	Name	Depth	Name	Depth
1	VIOLA	15010	6	
2	BROMIDE	15595	7	
3	MCLISH	16170	8	
4			9	
5			10	

Spacing Orders: 152878 Location Exception Orders: 609414 Increased Density Orders: 599251
152879 609441

Pending CD Numbers:

Special Orders:

Total Depth: 16501 Ground Elevation: 1091 **Surface Casing: 1850** Depth to base of Treatable Water-Bearing FM: 300

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: DUNCAN

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

DIRECTIONAL HOLE 1

Sec 31 Twp 5N Rge 5W County GRADY

Spot Location of End Point: SE NE SW SW

Feet From: SOUTH 1/4 Section Line: 957

Feet From: WEST 1/4 Section Line: 1107

Measured Total Depth: 16501

True Vertical Depth: 16496

End Point Location from Lease,

Unit, or Property Line: 957

Notes:

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.

Category	Description
DEEP SURFACE CASING	11/9/2012 - G75 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
INCREASED DENSITY - 599251	11/9/2012 - G75 - 31-5N-5W X152879 BRMD 1 WELL SHERIDAN PROD. CO. LLC 6-28-2012
INCREASED DENSITY - 609441	4/1/2013 - G75 - (E.O.) 31-5N-5W X152878 VIOL 1 WELL SHERIDAN PROD. CO. LLC 3-22-2013
LOCATION EXCEPTION - 609414	4/1/2013 - G75 - (E.O.) 31-5N-5W X152878 VIOL, MCLS X152879 BRMD SHL 889 FSL, 950 FWL POE 947 FSL, 1102 FWL BHL 957 FSL, 1107 FWL SHERIDAN PROD. CO. LLC 3-22-2013
SPACING - 152878	4/1/2013 - G75 - (640) 31-5N-5W EXT OTHERS EXT 94778 VIOL, OTHERS EXT 134400 TPCK (VAC BY 240020), OTHERS EXT 123502 MCLS
SPACING - 152879	11/9/2012 - G75 - (640) 31-5N-5W EXT OTHERS EXT 47484 BRMD

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