

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

API NUMBER: 017 20469 A

Approval Date: 05/31/2013  
Expiration Date: 11/30/2013

Horizontal Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Sec: 24 Twp: 13N Rge: 6W

County: CANADIAN

SPOT LOCATION: C SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 330 330

Lease Name: GRIFFIN

Well No: 24-1

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: PAYROCK ENERGY LLC

Telephone: 4056084513

OTC/OCC Number: 23215 0

PAYROCK ENERGY LLC  
13909 QUAIL POINTE DR  
OKLAHOMA CITY, OK 73134-1029

ROBERT L. GRIFFIN  
RT. 2, BOX 191  
YUKON OK 73099

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

Name	Depth	Name	Depth
1 HUNTON	8455	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201303443

Special Orders:

Total Depth: 10254 Ground Elevation: 1349 **Surface Casing: 861 IP** Depth to base of Treatable Water-Bearing FM: 810

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: 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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

F. Haul to Commercial soil farming facility: Sec. 21 Twn. 2N Rng. 4W Cnty. 137 Order No: 603746

H. CLOSED SYSTEM=STEEL 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 24 Twp 13N Rge 6W County CANADIAN

Spot Location of End Point: SE NW NW SW

Feet From: SOUTH 1/4 Section Line: 2030

Feet From: WEST 1/4 Section Line: 630

Depth of Deviation: 8396

Radius of Turn: 204

Direction: 10

Total Length: 1538

Measured Total Depth: 10254

True Vertical Depth: 8600

End Point Location from Lease,  
Unit, or Property Line: 610

Notes:

Category

Description

PENDING CD - 201303443

5/31/2013 - G30 - (80 HOR) W2 SW4 24-13N-6W  
EST HNTN, OTHER  
POE TO BHL: NLT 330' FB  
(SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH  
PRODUCING NON-HORIZONTAL SPACING UNITS)  
REC 5/28/13 (DECKER)