

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

API NUMBER: 049 38539 C

Approval Date: 07/22/2013
Expiration Date: 01/22/2014

Straight Hole Oil & Gas

PERMIT TO RECOMPLETE

WELL LOCATION: Sec: 07 Twp: 4N Rge: 3W County: GARVIN
SPOT LOCATION: C SW SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 660 660

Lease Name: MCDANIEL-CHERRY Well No: 1 Well will be 660 feet from nearest unit or lease boundary.
Operator Name: MERIT ENERGY COMPANY Telephone: 9726281569 OTC/OCC Number: 18934 0

MERIT ENERGY COMPANY
13727 NOEL RD STE 1200
DALLAS, TX 75240-7312

TOM MCPHERSON, JR & JUDY MCPHERSON
11 LOUISE LANE
PURCELL OK 73080

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

Name	Depth	Name	Depth
1 HUNTON	8840	6	
2 SIMPSON (LS OIL CREEK)	9760	7	
3		8	
4		9	
5		10	

Spacing Orders: 19573 Location Exception Orders: Increased Density Orders:
20066

Pending CD Numbers: Special Orders:

Total Depth: 10175 Ground Elevation: 969 **Surface Casing: 1797 IP** Depth to base of Treatable Water-Bearing FM: 270

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No
Approved Method for disposal of Drilling Fluids:

Notes:

Category	Description
SPACING - 19573	7/19/2013 - G75 - (40) 7-4N-3W EST BRMD (CLARIFIED BY 20230 TO BE SMPS, AMD BY 26757 TO BE SPLOC)
SPACING - 20066	7/19/2013 - G75 - (40) 7-4N-3W EST HNTN

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.

MERIT ENERGY COMPANY

API 049-38539

PROPOSED WELLBORE

LEASE & WELL NO. MCDANIEL CHERRY 1
 FIELD NAME GOLDEN TREND
 LOCATION SEC. 7, T04N, R03W

FORMER NAME _____
 COUNTY & STATE GARVIN, OK
 API NO. 3504938539

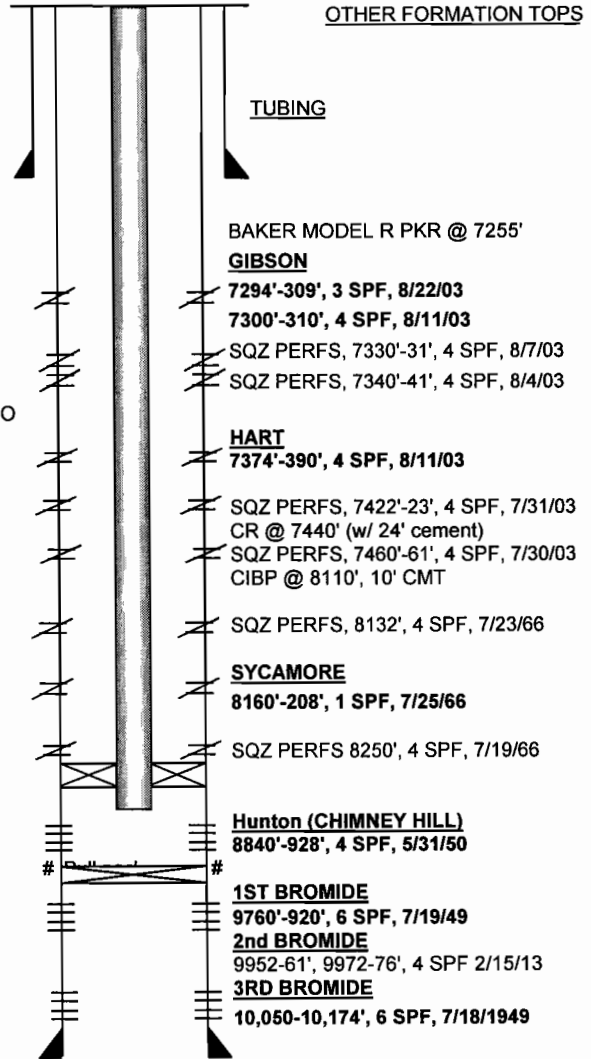
K.B. ELEV. 981'
 D.F. ELEV. _____
 G.L. ELEV. 969'

LEASE - HBP from the VH Cherry 1 and Leonard McDaniel 1

SURFACE CASING
 SIZE 10 3/4" WEIGHT 32.75# & 40.5# DEPTH 1797'
 GRADE J-55 & N-80 SX. CMT. _____ CMT SURF

WELL HISTORY

7/18/49 P/3rd Brom @ 6 SPF from 10050-10174
 7/25/49 P/1st Brom @ 6 SPF from 9760-9720. Flowing 1419 BOPD
 5/16/50 P/Chimney Hill @ 4 SPF from 8840-8928.
 Dual completed with packer @ 8943
 6/1/50 Bromides - 85 bo, 1179, 0 bw. ChmHill - 395 oil, 628 mcf, 0 bw
 11/1/54 Well quit flowing, Bromides cum'd 142 MBO, ChmH cum'd 28 MBO
 3/18/55 Swabbed - average production - 5 BOPD, 750 MCFD
 7/19/66 Set BP @ 8300 w/ 1 sk, Sqz cement behind pipe. TOC @ 8096
 P/Mayes Lime (Sycamore) 8160-8208.
 A/Sycamore 2000 gal 7.5% MCA & 56 BS. 200# ISIP, 3 BPM
 F/Sycamore 24k gal CRA acid, 50 bbl lse crd, 1800#, 5 BPM
 9/10/66 175 MCFD, SIP(22 hr) 1560#
 6/19/03 Swab, IFL 6800', tight @ 7600', broach tbg, swab in
 7/29/03 Pull Model 'R' Packer, Set CIBP @ 8110' w/ 10' cement
 p/sqz holes 7460-61, set CR @ 7440, p/sqz holes 7442-7423
 Multiple squeezes to get TOC above Gibson, no TOC recorded
 8/12/03 P/Hart 7374-90 & Gibson 7300-7310 @ 4 SPF.
 A/(Hart and Gibson)2000 gals MNA non-acid mud flush w/ 75 BS.
 P/Gibson 7294-7309 @ 3 SPF
 A/Gibson 2000 gal 15% HCL, NEFE, Acid tagged and hit the
 Gibson and 20' sand above the Gibson
 Pull RBP separating Hart and Gibson. Set Mod R pkr @ 7225



LONGSTRING
 SIZE 7" WEIGHT 23#-29# DEPTH 10174'
 GRADE N-80 SX. CMT. ?? TOC 8096'?

PBTD@ _____
 TD@ 10175'

RECOMMENDATION
 VIOLA - 9570-9625

SPACINGS
 Bromide 40 acres
 Hunton 40 acres