

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

API NUMBER: 137 27129 A

Approval Date: 11/15/2013  
Expiration Date: 05/15/2014

Horizontal Hole Oil & Gas

Amend reason: AMEND TO REFLECT CORRECT SURFACE HOLE LOCATION.

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 1S Rge: 5W

County: STEPHENS

SPOT LOCATION: SW SE SE SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 50 1996

Lease Name: ELY

Well No: 1-12H

Well will be 50 feet from nearest unit or lease boundary.

Operator Name: MARATHON OIL COMPANY

Telephone: 7132961948; 4057205

OTC/OCC Number: 1363 0

MARATHON OIL COMPANY  
5555 SAN FELIPE ST  
HOUSTON, TX 77056-2701

LLOYD MARK ELY AND RENEA DEANNE ELY  
P.O. BOX 266  
VELMA OK 73491

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	11068	6	
2 WOODFORD	11755	7	
3 HUNTON	12330	8	
4		9	
5		10	

Spacing Orders: 614531

Location Exception Orders: 615492

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 17056

Ground Elevation: 979

**Surface Casing: 575**

Depth to base of Treatable Water-Bearing FM: 480

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: 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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

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

PERMIT NO: 13-24822

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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 12 Twp 1S Rge 5W County STEPHENS

Spot Location of End Point: N2 NE NE NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 2310

Depth of Deviation: 11639

Radius of Turn: 409

Direction: 360

Total Length: 5169

Measured Total Depth: 17056

True Vertical Depth: 12330

End Point Location from Lease,  
Unit, or Property Line: 50

Notes:

Category

Description

LOCATION EXCEPTION - 615492

11/15/2013 - G30 - (I.O.) 12-1S-5W  
X614531 MSSP, WDFD, HNTN  
1ST PERF NCT 150 FNL, NCT 1320 FWL  
LAST PERF NCT 150 FSL, NCT 1320 FWL  
BHL NCT 50 FNL, NCT 1320 FWL  
MARATHON OIL COMPANY  
9/5/13

MEMO

11/14/2013 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION, PIT 2 -  
OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

MUNICIPAL WATER WELLS/WELLHEAD  
PROTECTION AREAS

11/13/2013 - G71 - STEPHENS CO RW&SD #1 - 5 WELLS, W2 13-1S-5W

SPACING - 614531

11/15/2013 - G30 - (640) 12-1S-5W  
VAC OTHERS  
(HOR) EST MSSP, WDFD, HNTN  
(VER) EST OTHERS  
POE TO BHL (MSSP, HNTN) NLT 660' FB  
POE TO BHL (WDFD) NCT 165 FNL/FSL, NCT 330 FEL/FWL

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Office of the Conservation Division as to when Surface Casing will be run.