

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

API NUMBER: 017 24674

Approval Date: 01/27/2014
Expiration Date: 07/27/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 14N Rge: 7W County: CANADIAN
SPOT LOCATION: SE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 165 1993

Lease Name: STILES Well No: 14 07 1-4H Well will be 165 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 JOHN STILES
300 S. MUSKOGEE AVE.
TAHLEQUA OK 74464

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

Name	Depth	Name	Depth
1 WOODFORD	8981	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 619003

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13998

Ground Elevation: 1202

Surface Casing: 560

Depth to base of Treatable Water-Bearing FM: 310

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

E. Haul to Commercial pit facility: Sec. 31 Twn. 12N Rng. 8W Cnty. 17 Order No: 587498

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 04 Twp 14N Rge 7W County CANADIAN

Spot Location of End Point: NE NW NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 2010

Depth of Deviation: 8445

Radius of Turn: 573

Direction: 359

Total Length: 4653

Measured Total Depth: 13998

True Vertical Depth: 8981

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category

Description

BOTTOM-HOLE LOCATION

1/23/2014 - G75 - 165' FNL, 2010' FEL NE4 4-14N-7W PER SURVEY PLAT;

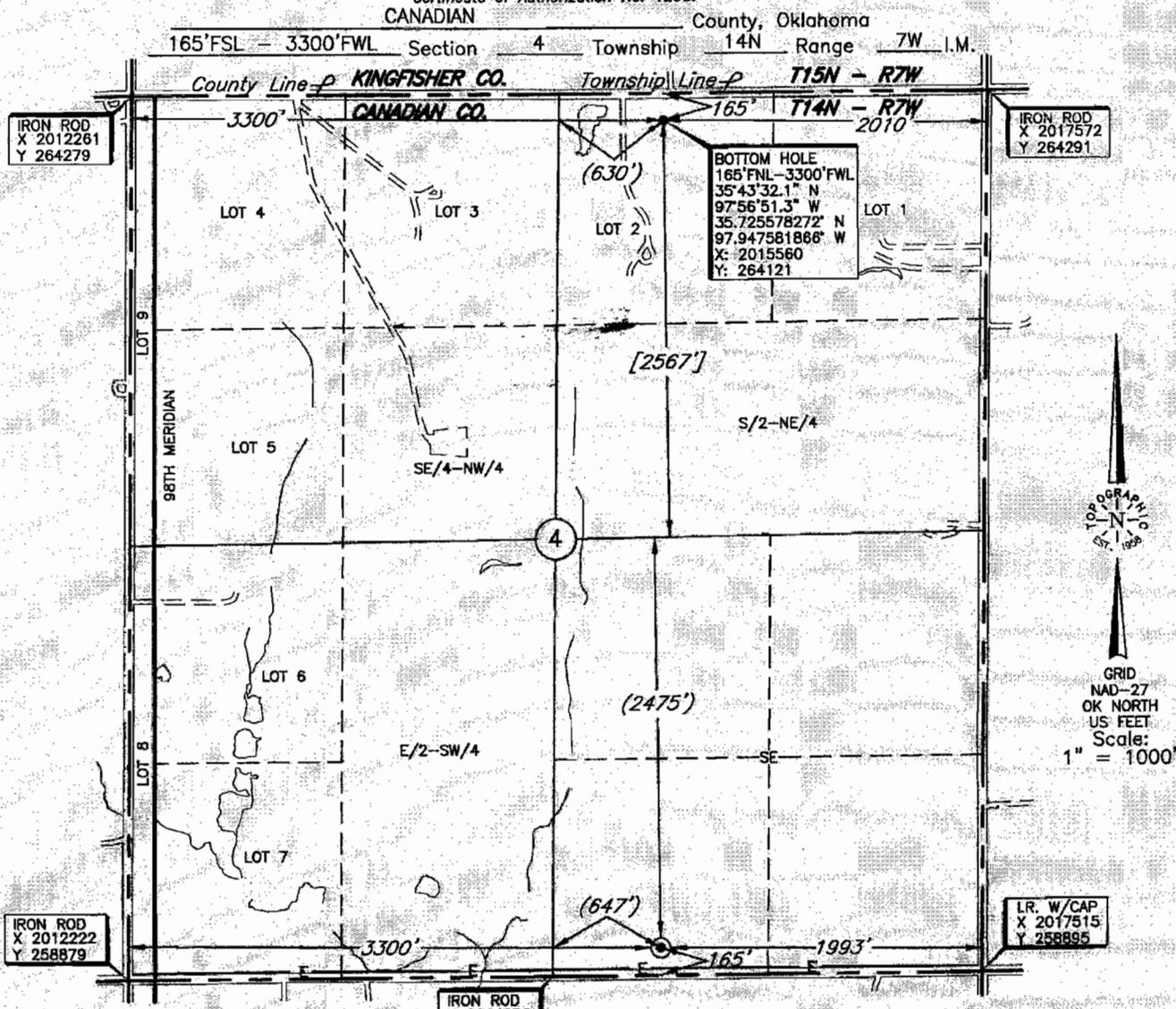
SPACING - 619003

1/24/2014 - G75 - (640)(HOR) 4-14N-7W
EXT 599529 WDFD, OTHER
COMPL. INT. NLT 165' FNL & FSL, NLT 330' FEL & FWL

SURFACE LOCATION

1/23/2014 - G75 - 165' FSL, 1993' FEL SE4 4-14N-7W PER SURVEY PLAT;

API 017-24674



IRON ROD
X 2012261
Y 264279

IRON ROD
X 2017572
Y 264291

BOTTOM HOLE
165' FNL - 3300' FWL
35°43'32.1" N
97°56'51.3" W
35.725578272' N
97.947581866' W
X: 2015560
Y: 264121



IRON ROD
X 2012222
Y 258879

LR. W/CAP
X 2017515
Y 258895

IRON ROD
X 2014856
Y 258890

Distances shown in parenthesis are calculated based upon the Quarter Section being 2640 feet, those shown in brackets are based on GLO (General Land Office) distances and have NOT been measured on the ground.

A boundary survey of the said section(s) shown hereon was not performed per the request of the operator shown hereon.

Corner coordinates are taken from points surveyed in the field.

Operator: PAYROCK ENERGY, LLC.

Lease Name: STILES 14 07

Well No.: 1-4H

ELEVATION:
1202' Gr. at Stake

Topography & Vegetation Loc. fell in terraced wheat field, ± 134' N. of Right-of-Way fence & power line

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From South off county road

Distance & Direction from Hwy Jct or Town From Okarche, Oklahoma, go ± 1 mile East, then 1 mile South to the Southwest Corner of Section 4, T14N - R7W.

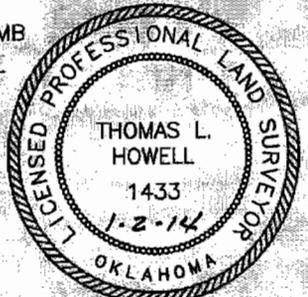
DATUM: NAD-27
 LAT: 35°42'42.0"N
 LONG: 97°56'51.8"W
 LAT: 35.711664098° N
 LONG: 97.947713803° W
 STATE PLANE
 COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 2015524
 Y: 259056

Date of Drawing: Jan. 2, 2014
 Invoice # 213117 Date Staked: Dec. 23, 2013 NMB

CERTIFICATE:

I, Thomas L. Howell a Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Thomas L. Howell
 Oklahoma Reg. No. 1433



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy