

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

API NUMBER: 017 24678

Approval Date: 03/19/2014
Expiration Date: 09/19/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 04 Twp: 12N Rge: 6W County: CANADIAN
SPOT LOCATION: NE NW NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 275 2085

Lease Name: WILDS 12 06 Well No: 1-4H Well will be 275 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

LYNN D. WILDS
3021 N HOLLOWAY DR
BETHANY OK 73008

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

| Name | Depth | Name | Depth |
|------|----------|------|-------|
| 1 | WOODFORD | 8982 | 6 |
| 2 | | | 7 |
| 3 | | | 8 |
| 4 | | | 9 |
| 5 | | | 10 |

Spacing Orders: 616205

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 13822

Ground Elevation: 1339

Surface Casing: 640

Depth to base of Treatable Water-Bearing FM: 390

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 12N Rge 6W County CANADIAN

Spot Location of End Point: S2 S2 SW SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1980

Depth of Deviation: 8366

Radius of Turn: 616

Direction: 180

Total Length: 4488

Measured Total Depth: 13822

True Vertical Depth: 8982

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

Notes:

Category

Description

MUNICIPAL WATER WELL/WELLHEAD
PROTECTION AREA

3/17/2014 - G71 - CANADIAN CO RWD #4 - 1 WELL/WPA, SE/4 4-12N-6E

SPACING - 616205

3/19/2014 - G30 - (640 HOR) 4-12N-6W
EST WDFD, OTHERS
POE TO BHL NLT 330' FEL/FWL, NLT 165' FNL/FSL
(SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS; COEXIST WITH
PRODUCING NON-HORIZONTAL SPACING UNITS)