

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

API NUMBER: 137 27321

Approval Date: 09/05/2014
Expiration Date: 03/05/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 1S Rge: 5W County: STEPHENS
SPOT LOCATION: NE NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 225 500

Lease Name: LAWAYNE Well No: 1-17H Well will be 225 feet from nearest unit or lease boundary.
Operator Name: XTO ENERGY INC Telephone: 8178853255 OTC/OCC Number: 21003 0

XTO ENERGY INC
810 HOUSTON ST
FORT WORTH, TX 76102-6203

LELAND J & MYRNA R CHAPMAN
P.O. BOX 487
VELMA OK 73491

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

	Name	Depth	Name	Depth
1	CANEY	13620	6	
2	WOODFORD	14460	7	
3	HUNTON	14943	8	
4			9	
5			10	

Spacing Orders: 626874

Location Exception Orders: 627412

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 20000

Ground Elevation: 1075

Surface Casing: 1990

Depth to base of Treatable Water-Bearing FM: 780

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: AIR

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: 4

Liner not required for Category: 4

Pit Location is BED AQUIFER

Pit Location Formation: PURCELL

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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

H. SEE MEMO

PERMIT NO: 14-27642

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: 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: PURCELL

PIT 3 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 200000 Average: 30000

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: PURCELL

HORIZONTAL HOLE 1

Sec 17 Twp 1S Rge 5W County STEPHENS

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 20

Feet From: WEST 1/4 Section Line: 400

Depth of Deviation: 14400

Radius of Turn: 600

Direction: 180

Total Length: 4657

Measured Total Depth: 20000

True Vertical Depth: 15000

End Point Location from Lease,
Unit, or Property Line: 20

Notes:

Category

Description

DEEP SURFACE CASING

9/5/2014 - G76 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

This permit does not address the right of entry or settlement of surface damages.
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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.

Category	Description
LOCATION EXCEPTION - 627412	<p>9/5/2014 - G91 - (I.O.) 17-1S-5W X 626874 CNEY, WDFD, HNTN, OTHERS SHL 0 FNL, 0 FWL** COMP. INT. NCT 165 FNL, NCT 165 FSL, NCT 330 FWL XTO ENERGY INC. 7-2-2014</p> <p>** SHL TO BE CORRECTED IN FINAL ORDER PER OPERATOR**</p>
MEMO	<p>9/5/2014 - G76 - PITS 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 3 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT</p>
SPACING - 626874	<p>9/5/2014 - G91 - (640) 17-1S-5W EST CNEY, OTHERS EXT 624214 WDFD, HNTN</p>

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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.