

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

API NUMBER: 027 21472

Approval Date: 11/07/2014
Expiration Date: 05/07/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 9N Rge: 3W County: CLEVELAND
SPOT LOCATION: FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2310 330

Lease Name: J & J Well No: 3-1H Well will be 330 feet from nearest unit or lease boundary.

Operator Name: FINLEY RESOURCES INC Telephone: 8172318735 OTC/OCC Number: 20799 0

FINLEY RESOURCES INC
1308 LAKE ST
FORT WORTH, TX 76102

J & J PROPERTIES, LLC
2021 SOUTH SANTA FE
MOORE OK 73160

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

Name	Depth	Name	Depth
1 HOOVER	4000	6 RED FORK	8020
2 OSWEGO	7600	7 PENN BASAL UNCONF SAND	8050
3 PRUE	7620	8	
4 SKINNER	7780	9	
5 PINK LIME	8000	10	

Spacing Orders: 627741
631539

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12150

Ground Elevation: 1198

Surface Casing: 1200

Depth to base of Treatable Water-Bearing FM: 1000

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: 2500

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-27901
H. CLOSED SYSTEM=STEEL PITS (REQUIRED PER ORDER # 90123)

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 03 Twp 9N Rge 3W County CLEVELAND

Spot Location of End Point: C SW SW

Feet From: SOUTH 1/4 Section Line: 660

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 7500

Radius of Turn: 446

Direction: 175

Total Length: 3949

Measured Total Depth: 12150

True Vertical Depth: 8200

End Point Location from Lease,
Unit, or Property Line: 660

Notes:

Category

Description

POINT OF ENTRY

11/7/2014 - G75 - GREATER THAN 660' FNL & FWL NW4 3-9N-3W PER OPERATOR

SPACING - 627741

11/7/2014 - G75 - (640)(HOR) 3-9N-3W
EST HOVR, OSWG, PRUE, SKNR, PKLM, RDFK, BPUNC
POE TO BHL NCT 660' FB
(SUPERSEDE SP. ORDER # 147208 HOVR, OSWG, SKNR, RDFK SE4 & ORDER # 147208 BPUNC
E2 SE4 & ORDER # 170837 BPUNC NE4 & ORDER # 79289 HOVR, CHRK W2; COEXIST SP.
ORDER # 147208 BPUNC W2 SE4) **

** S/B SUPERSEDE SP. ORDER # 170837 BPUNC W2 & ADD SUPERSEDE SP. ORDER # 186826
HOVR, OSWG, SKNR, RDFK, BPUNC NE4;

SPACING - 631539

11/7/2014 - G75 - NPT 627741 TO SUPERSEDE SP. ORDER # 170837 BPUNC W2 & ORDER #
186826 HOVR, OSWG, SKNR, RDFK, BPUNC

SURFACE CASING

11/7/2014 - G75 - MINIMUM 1200' PER ORDER # 90123