

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

API NUMBER: 047 25006

Approval Date: 02/03/2015
Expiration Date: 08/03/2015

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 20N Rge: 4W

County: GARFIELD

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 415 330

Lease Name: RAY HAYWARD

Well No: 1-36MH

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: STEPHENS PRODUCTION CO

Telephone: 4797834191

OTC/OCC Number: 23030 0

STEPHENS PRODUCTION CO
PO BOX 2407
FORT SMITH, AR 72902-2407

RAYMOND HAYWARD
P.O. BOX 127
MARSHALL OK 73056

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

| | Name | Depth | Name | Depth |
|---|---------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 5400 | 6 | |
| 2 | WOODFORD | 5800 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 632917

Location Exception Orders: 633680

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 10900

Ground Elevation: 1003

Surface Casing: 800

Depth to base of Treatable Water-Bearing FM: 180

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 1A

Liner required for Category: 1A

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. 20-MIL PIT LINER REQUIRED

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 36 Twp 20N Rge 4W County GARFIELD

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 900

Depth of Deviation: 5000

Radius of Turn: 600

Direction: 172

Total Length: 4957

Measured Total Depth: 10900

True Vertical Depth: 5800

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

Notes:

| Category | Description |
|-----------------------------|---|
| DEEP SURFACE CASING | 1/12/2015 - G71 - 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 |
| LOCATION EXCEPTION - 633680 | 2/2/2015 - G76 - (I.O.) 36-20N-4W X632917 MSSP, WDFD COMPL. INT. NCT 150 FNL, NCT 150 FSL, NCT 660 FWL STEPHENS PRODUCTION COMPANY 12/2/2014 |
| SPACING - 632917 | 2/2/2015 - G76 - (640)(HOR) 36-20N-4W VAC OTHERS EXT 610180 MSSP, WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB (COEXIST SP. ORDER # 184305 MSSLM NE4 & SP. ORDER # 187835 MSSLM NW4 & MSSLM SE4 LEASE BASIS) |

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