

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

API NUMBER: 103 24592

Approval Date: 10/23/2013
Expiration Date: 04/23/2014

Straight Hole Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 24N Rge: 3E

County: NOBLE

SPOT LOCATION: NW NE SW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 1510 760

Lease Name: LYONS

Well No: 1-11 SWD

Well will be 760 feet from nearest unit or lease boundary.

Operator Name: MUSTANG FUEL CORPORATION

Telephone: 4057489400

OTC/OCC Number: 4999 0

MUSTANG FUEL CORPORATION
9800 N OKLAHOMA AVE
OKLAHOMA CITY, OK 73114-7406

RED ROCK RANCH, LC
30701 BADLANDS RD
MARLAND OK 74664

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

Name	Depth	Name	Depth
1 ARBUCKLE	4150	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5700

Ground Elevation: 993

Surface Casing: 410

Depth to base of Treatable Water-Bearing FM: 160

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: OSCAR

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

PERMIT NO: 13-24579

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

Notes:

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.

Category

Description

SPACING

10/23/2013 - G30 - N/A - DISPOSAL WELL

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.

103 24592 LYONS 1-11 SWD

Page 2 of 2