

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

API NUMBER: 103 24651

Approval Date: 03/26/2014
Expiration Date: 09/26/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 24N Rge: 2E

County: NOBLE

SPOT LOCATION: NE NE NW NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 262 1450

Lease Name: MORGAN

Well No: 1-2H

Well will be 262 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

DENNIS KELLY
23401 DAKOTA ROAD
PONCA CITY OK 74601-

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	4100	6	
2	WOODFORD	4450	7	
3	MISENER	4490	8	
4			9	
5			10	

Spacing Orders: 622616

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201307663

Special Orders:

Total Depth: 8500

Ground Elevation: 936

Surface Casing: 350

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: WELLINGTON

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

PERMIT NO: 14-26747

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 02 Twp 24N Rge 2E County NOBLE

Spot Location of End Point: NE SE NW NE

Feet From: NORTH 1/4 Section Line: 799

Feet From: EAST 1/4 Section Line: 1428

Depth of Deviation: 3400

Radius of Turn: 720

Direction: 1

Total Length: 4000

Measured Total Depth: 8500

True Vertical Depth: 4490

End Point Location from Lease,
Unit, or Property Line: 130

Notes:

Category

Description

PENDING CD - 201307663

3/26/2014 - G30 - 2-24N-2E
X201307039 MSSP, WDFD, MSNR
1ST PERF NCT 165 FSL, NCT 660 FEL
LAST PERF NCT 165 FNL, NCT 660 FEL
NO OP. NAMED
REC 3/13/14 (P.PORTER)

SPACING - 622616

3/26/2014 - G30 - 2-24N-2E IN NOBLE AND KAY CO. (EXCLUDES NE4 NE4 IN OSAGE CO.)
EST MSSP, WDFD, MSNR
POE TO BHL (MSSP, MSNR) NCT 660' FB
POE TO BHL (WDFD) NCT 330' FB
(SUPERCEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST WITH
PRODUCING NON-HORIZONTAL SPACING UNITS)