

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

API NUMBER: 085 21224

Approval Date: 04/14/2014  
Expiration Date: 10/14/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 13 Twp: 7S Rge: 2W County: LOVE  
SPOT LOCATION:     FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 2310 660

Lease Name: DEPT OF WILDLIFE Well No: 1-13 Well will be 330 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

OKLAHOMA DEPARTMENT OF WILDLIFE  
CONSERVATION  
PO BOX 53465  
ATTN: MS. KRISTEN GILLMAN  
OKLAHOMA CITY OK 73152

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

| Name        | Depth | Name            | Depth |
|-------------|-------|-----------------|-------|
| 1 STOCKTON  | 7655  | 6 SANDERS 5     | 8038  |
| 2 SANDERS 1 | 7735  | 7 SANDERS 7     | 8358  |
| 3 SANDERS 2 | 7785  | 8 DORNICK HILLS | 8686  |
| 4 SANDERS 3 | 7865  | 9 VIOLA         | 9223  |
| 5 SANDERS 4 | 7922  | 10              |       |

Spacing Orders: 158937 Location Exception Orders: Increased Density Orders:  
Pending CD Numbers: Special Orders:

Total Depth: 9650 Ground Elevation: 931 **Surface Casing: 750** Depth to base of Treatable Water-Bearing FM: 580

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

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: 1B**  
**Liner required for Category: 1B**  
Pit Location is AP/TE DEPOSIT  
Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

- A. Evaporation/dewater and backfilling of reserve pit.
- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26768
- H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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   |
|------------------|---|
| FRAC FOCUS       | 4/7/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM |
| SPACING - 158937 | 4/14/2014 - G30 - (80) 13-7S-2W NW/SE<br>EST DKHL, VIOL, OTHERS<br>EXT 59242 SCKN<br>EXT 63851/126451 SDRU4, SDRL5<br>EXT 98816/106802 SDRS, SDRS3<br>EXT 134881 SDRS1, SDRS2, SDRS3, SDRS4, SDRS5<br>EXT 141081 SDRS7  |

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