

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

API NUMBER: 093 25002

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 21N Rge: 9W

County: MAJOR

SPOT LOCATION:  SE  SE  SE  SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 275 2400

Lease Name: SHEPHERD

Well No: 1-32SH

Well will be 275 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

DOROTHY & J.B. SHEPHERD  
8546 COUNTY ROAD 370  
WAYNOKA OK 73860

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

Name	Depth	Name	Depth
1 SIMPSON GROUP	9300	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 628442

Location Exception Orders: 629142

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14200

Ground Elevation: 1215

**Surface Casing: 600**

Depth to base of Treatable Water-Bearing FM: 490

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: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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: 14-27980

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - CITY OF ENID)

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 32 Twp 21N Rge 9W County MAJOR

Spot Location of End Point: E2 SE SE SW

Feet From: SOUTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 2400

Depth of Deviation: 8650

Radius of Turn: 637

Direction: 180

Total Length: 4550

Measured Total Depth: 14200

True Vertical Depth: 9300

End Point Location from Lease,  
Unit, or Property Line: 330

Notes:

Category	Description
LOCATION EXCEPTION - 629142	2/2/2015 - G91 - (I.O.) 32-21N-9W X628442 SMPSG, OTHERS 1ST PERF NCT 330 FNL, NCT 330 FWL LAST PERF NCT 330 FSL, NCT 330 FWL M M ENERGY, INC. 8-14-2014
PUBLIC WATER SUPPLY/WELLHEAD PROTECTION AREAS	2/2/2015 - G71 - ENID - 3 PWS/WPA, SE/4 & NW/4 29-21N-9W & SE/4 30-21N-9W AND AMES 1 PWS/WPA, SE/4 32-21N-9W
SPACING - 628442	2/2/2015 - G91 - (640)(HOR) 32-21N-9W EST SMPSG, OTHERS POE TO BHL NCT 660' FB (SUPERCEDE NON-DEVELOP NON-HORIZONTAL SPACING UNITS; COEXIST PRODUCING NON- HORIZONTAL SPACING UNITS)

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