

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

API NUMBER: 003 23263

Approval Date: 11/03/2016
Expiration Date: 05/03/2017

Straight Hole Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 25N Rge: 11W County: ALFALFA
SPOT LOCATION: NW NW NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 175 2480

Lease Name: **KEPHART SWD** Well No: **1-29** Well will be **175** feet from nearest unit or lease boundary.
Operator Name: **AEXCO PETROLEUM INC** Telephone: 3038631110 OTC/OCC Number: 17342 0

AEXCO PETROLEUM INC
1675 BROADWAY STE 1900
DENVER, CO 80202-4631

HARRY & PATSY KEPHART
807 BEAR RUN
ENID OK 73703

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

	Name	Depth	Name	Depth
1	TONKAWA	4750	6	
2	COTTAGE GROVE	5140	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders: _____

Increased Density Orders: _____

Pending CD Numbers:

Special Orders:

Total Depth: 5400 Ground Elevation: 1272 **Surface Casing: 1200** Depth to base of Treatable Water-Bearing FM: 300

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

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 80000 Average: 8000

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: CEDAR HILLS

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31776
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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
DEEP SURFACE CASING	11/1/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	11/1/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
SPACING	11/1/2016 - G71 - N/A - DISPOSAL WELL

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