

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

API NUMBER: 049 25094

Approval Date: 12/14/2016  
Expiration Date: 06/14/2017

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 1N Rge: 3W County: GARVIN  
SPOT LOCATION:  NW  SE  SE  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 363 2159

Lease Name: LEVY Well No: 4-3-10D Well will be 363 feet from nearest unit or lease boundary.  
Operator Name: IRON STAR ENERGY LLC Telephone: 9189386069 OTC/OCC Number: 23355 0

IRON STAR ENERGY LLC  
401 S BOSTON AVE STE 400  
TULSA, OK 74103

PAUL FERGUSON  
28116 HIGHWAY 76  
FOSTER OK 73434

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

Name	Depth	Name	Depth
1 ARBUCKLE OVERTHRUST	3100	6 HUNTON	9995
2 GODDARD	6317	7 SYLVAN	10022
3 CANEY	7977	8 VIOLA	10222
4 SYCAMORE	8031	9 ARBUCKLE	11250
5 WOODFORD	8229	10	

Spacing Orders: 151430 Location Exception Orders: 652285 Increased Density Orders:  
649055

Pending CD Numbers: Special Orders:

Total Depth: 11300 Ground Elevation: 953 **Surface Casing: 1020** Depth to base of Treatable Water-Bearing FM: 970

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

PIT 1 INFORMATION

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31889  
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

DIRECTIONAL HOLE 1

Sec 10 Twp 1N Rge 3W County GARVIN

Spot Location of End Point: NE NE NE NW

Feet From: SOUTH 1/4 Section Line: 2560

Feet From: WEST 1/4 Section Line: 2560

Measured Total Depth: 11345

True Vertical Depth: 11298

End Point Location from Lease,

Unit, or Property Line: 80

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
HYDRAULIC FRACTURING	12/7/2016 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> 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.
LOCATION EXCEPTION - 652285	12/13/2016 - G75 - (I.O.) N2 NW4 10-1N-3W XOTHERS X151430 SCMR X649055 ABCOT, GDRD, CNEY, WDFD, HNTN, SLVN, VIOL, ABCK, OTHERS COMPL. INT. NCT 60' TO NL, NCT 60' TO EL IRON STAR ENERGY, LLC 5-3-2016
SPACING - 151430	12/13/2016 - G75 - (80) N2 NW4 10-1N-3W LD NE/SW EST SCMR
SPACING - 649055	12/13/2016 - G75 - (80) N2 NW4 10-1N-3W LD NE4 NW4 NCT 330' FB VAC OTHER EST ABCOT, GDRD, CNEY, WDFD, HNTN, SLVN, VIOL, ABCK, OTHERS

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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.