API NUMBER: 049 25107

Disposal

Straight Hole

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

| Approval Date: | 02/17/2017 |
|------------------|------------|
| Expiration Date: | 08/17/2017 |

PERMIT TO DRILL

| VELL LOCATION: Sec: 17 Twp: 1N Rge: 3W | County: GAR | EVIN | | |
|--|--------------------------|------------------------|---------------------------|---|
| NOT ECONTION: OZ INV INZ | ROM QUARTER: FROM | SOUTH FROM V | VEST | |
| SECTIO | N LINES: | 2160 1 | 650 | |
| Lease Name: DERDEYN | Well No: | 19 | V | Well will be 480 feet from nearest unit or lease bounda |
| Operator REDBUD OIL COMPANY Name: | | Telephone: 5805 | 5131888 | OTC/OCC Number: 20774 0 |
| REDBUD OIL COMPANY 30278 HIGHWAY 76 | | | JAMES MEIN 21962 NCR 3 | |
| ELMORE CITY, OK 7343 | 3-8637 | | PAULS VALL | |
| 1 ARBUCKLE 2 3 4 5 Spacing Orders: No Spacing | 2160 Location Exception | 6 7 8 9 10 | | Increased Density Orders: |
| Pending CD Numbers: | | | | Special Orders: |
| Total Depth: 2500 Ground Elevation: 1025 | Surface | Casing: 0 | | Depth to base of Treatable Water-Bearing FM: 930 |
| Cement will be circulated by use of a two-sta | age cementing | tool from 1030 | to 0 . | |
| Under Federal Jurisdiction: No | Fresh Wate | r Supply Well Drilled: | No | Surface Water used to Drill: Yes |
| PIT 1 INFORMATION | | Appro | oved Method for dispo | posal of Drilling Fluids: |
| Type of Pit System: ON SITE | | A. E | vaporation/dewater a | and backfilling of reserve pit. |
| Type of Mud System: WATER BASED | | | | |
| Chlorides Max: 2500 Average: 1500 Is depth to top of ground water greater than 10ft below base of pit Within 1 mile of municipal water well? N | t? Y | н. с | BL REQUIRED | |
| Wellhead Protection Area? N Pit is located in a Hydrologically Sensitive Area. | | | | |

Notes:

Category of Pit: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: PURCELL

Category Description

ALTERNATE CASING 2/15/2017 - G71 - APPROVED WITH THE FOLLOWING CONDITIONS: 1) DRILLING FLUID WILL BE

MUD PRIOR TO TOTAL DEPTH; 2) TWO-STAGE CEMENTING TOOL TO BE SET NO DEEPER THAN 100' BELOW BTW; AND, 3) COPY OF CBL NEEDS TO BE SUBMITTED TO OCC TECHNICAL STAFF IMMEDIATELY. A COMPLETION ATTEMPT, IN CASES WHERE THE PROTECTION OF THE TREATABLE WATER IS QUESTIONABLE, IS STRICTLY PROHIBITED PER OCC 165:10-3-4(D)(4)

(C)

HYDRAULIC FRACTURING 2/15/2017 - 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 2/15/2017 - G71 - N/A - DISPOSAL WELL