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

API NUMBER: 073 25449 B

Approval Date: 08/08/2017
Expiration Date: 02/08/2018

Straight Hole Disposal

Amend reason: CHANGE TOTAL DEPTH

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 17N Rge: 6W County: KINGFISHER

SPOT LOCATION: NE NE NE NW FEET FROM QUARTER: FROM **NORTH** FROM **WEST**
SECTION LINES: **265** **2394**

Lease Name: JM SWD **Well No: 1** **Well will be 265 feet from nearest unit or lease boundary.**

Operator Name: **HINKLE OIL & GAS INC** Telephone: 4058480924 OTC/OCC Number: 21639 0

HINKLE OIL & GAS INC
5600 N MAY AVE STE 295
OKLAHOMA CITY, OK 73112-4275

JUSTIN MUGGENBORG
1313 NORTH MAIN
KINGFISHER OK 73750

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

	Name	Depth		Name	Depth
1	WILCOX	7900	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing
Location Exception Orders:
Increased Density Orders:

Pending CD Numbers:
Special Orders:

Total Depth: 8582 Ground Elevation: 1076 **Surface Casing: 180** Depth to base of Treatable Water-Bearing FM: 130

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: 4000 Average: 1800
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 AP/TE DEPOSIT
Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31880
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
HYDRAULIC FRACTURING	8/8/2017 - G58 - OCC 165:10-3-10 REQUIRES: 1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE; 2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: HTTP://WWW.OCCEWEB.COM/OG/OGFORMS.HTML; AND, 3)THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/
SPACING	9/19/2017 - G60 - N/A - DISPOSAL WELL

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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.