

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

API NUMBER: 137 27375

Approval Date: 11/06/2014
Expiration Date: 05/06/2015

Straight Hole Disposal

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 2N Rge: 4W County: STEPHENS
SPOT LOCATION: NW SW NW NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1870 250

Lease Name: STEPHENS SWD Well No: 1 Well will be 250 feet from nearest unit or lease boundary.
Operator Name: BLACK MOUNTAIN SWD LP Telephone: 8173480443 OTC/OCC Number: 23393 0

BLACK MOUNTAIN SWD LP
500 MAIN ST STE 1200
FORT WORTH, TX 76102-3926

BLACK MOUNTAIN SWD
20 E 5TH STREET SUITE 310
TULSA OK 74103

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

Name	Depth	Name	Depth
1 CISCO	3600	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: 5500 Ground Elevation: 1092 **Surface Casing: 570** Depth to base of Treatable Water-Bearing FM: 480

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

PIT 1 INFORMATION

Type of Pit System: ON SITE
Type of Mud System: WATER BASED

Chlorides Max: 3500 Average: 2500

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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
FRAC FOCUS	10/21/2014 - G76 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING	10/21/2014 - G76 - N/A DISPOSAL

This permit does not address the right of entry or settlement of surface damages.
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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.