

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 A

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

Straight Hole Disposal

Amend reason: OCC CORRECTION - CHANGE PIT SYSTEM

AMEND 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: CLOSED Closed System Means Steel Pits

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: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 14-29189

H. CLOSED SYSTEM=STEEL PITS REQUIRED (LAKE FUQUA)

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 |

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