

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

API NUMBER: 125 23933

Approval Date: 01/16/2018

Expiration Date: 07/16/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 18 Twp: 9N Rge: 2E

County: POTTAWATOMIE

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 990 1880

Lease Name: MUSTANG

Well No: 1-18

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: CANNON OPERATING CO LLC

Telephone: 9729414218

OTC/OCC Number: 23102 0

CANNON OPERATING CO LLC
3200 BROADWAY BLVD STE 520
GARLAND, TX 75043-2500

RONALD L. & YAN MORRIS, CO-TRUSTEES
113 CUPOLA CHASE WAY
CARY NC 27519

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

	Name	Depth		Name	Depth
1	SKINNER	5280	6	VIOLA	5550
2	RED FORK	5390	7	SYLVAN	5780
3	BARTLESVILLE	5450	8	SIMPSON	6000
4	WOODFORD	5480	9		
5	HUNTON	5510	10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201704261

Special Orders:

Total Depth: 6500

Ground Elevation: 1112

Surface Casing: 350

Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 2500 Average: 800

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: GARBER

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

F. Haul to Commercial soil farming facility: Sec. 22 Twn. 12N Rng. 10E Cnty. 107 Order No: 616407

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	<p>1/16/2018 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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: OCCWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>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: FRACFOCUS.ORG</p>
PENDING CD - 201704261	<p>1/16/2018 - G57 - (40) SW4 SE4 18-9N-2E EST SKNR, RDFK, BRVL, WDFD, HNTN, VIOL, SLVN, SMPS REC 7-24-2017 (JOHNSON)</p>