

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

API NUMBER: 079 22122

Approval Date: 12/14/2018
Expiration Date: 06/14/2020

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 8N Rge: 26E County: LEFLORE
SPOT LOCATION: ☐ SW ☐ SE ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 130 1675

Lease Name: BARRACUDA Well No: 1-20 Well will be 130 feet from nearest unit or lease boundary.
Operator Name: BLUE WATER RESOURCES LLC Telephone: 9189352795 OTC/OCC Number: 24082 0

BLUE WATER RESOURCES LLC
2512 E 71ST ST STE B
TULSA, OK 74136-5575

DARRELL BESHEARS
19195 QUAYS RD.
CAMERON OK 74932

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

Name	Depth	Name	Depth
1 ARBUCKLE	10600	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 339269

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 11451 Ground Elevation: 545 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 110

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

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: 8000 Average: 5000

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: MCALESTER/HARTSHORNE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-35952
H. CLOSED SYSTEM=STEEL PITS (REQUIRED - JAMES FORK CREEK)

DIRECTIONAL HOLE 1

Sec 20 Twp 8N Rge 26E County LEFLORE

Spot Location of End Point: E2 E2 W2 SE

Feet From: SOUTH 1/4 Section Line: 1320

Feet From: EAST 1/4 Section Line: 1600

Measured Total Depth: 11451

True Vertical Depth: 11300

End Point Location from Lease,

Unit, or Property Line: 1320

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
DEEP SURFACE CASING	12/3/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	12/3/2018 - G71 - 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: 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: FRACFOCUS.ORG
POINT OF ENTRY	12/12/2018 - G75 - POINT OF ENTRY FOR ARBUCKLE WILL BE 1320' FSL, 1600' FEL PER DIRECTIONAL SURVEY AND CONFIRMED BY OPERATOR
SPACING - 339269	12/12/2018 - G75 - (640) 20-8N-26E EXT OTHERS EST ABCK, OTHERS

Well Location Plat

Operator: BLUE WATER RESOURCES, LLC
 Lease Name and No.: BARRACUDA 1-20
 Footage: 130' FSL - 1675' FEL Gr. Elevation: 545'
 Section: 20 Township: 8N Range: 26E I.M.
 County: LeFlore State of Oklahoma
 Terrain at Loc.: Location fell on existing pad.

API 079-22122



All bearings shown
are grid bearings.

0' 500' 1000' 1500'

1" = 1000'

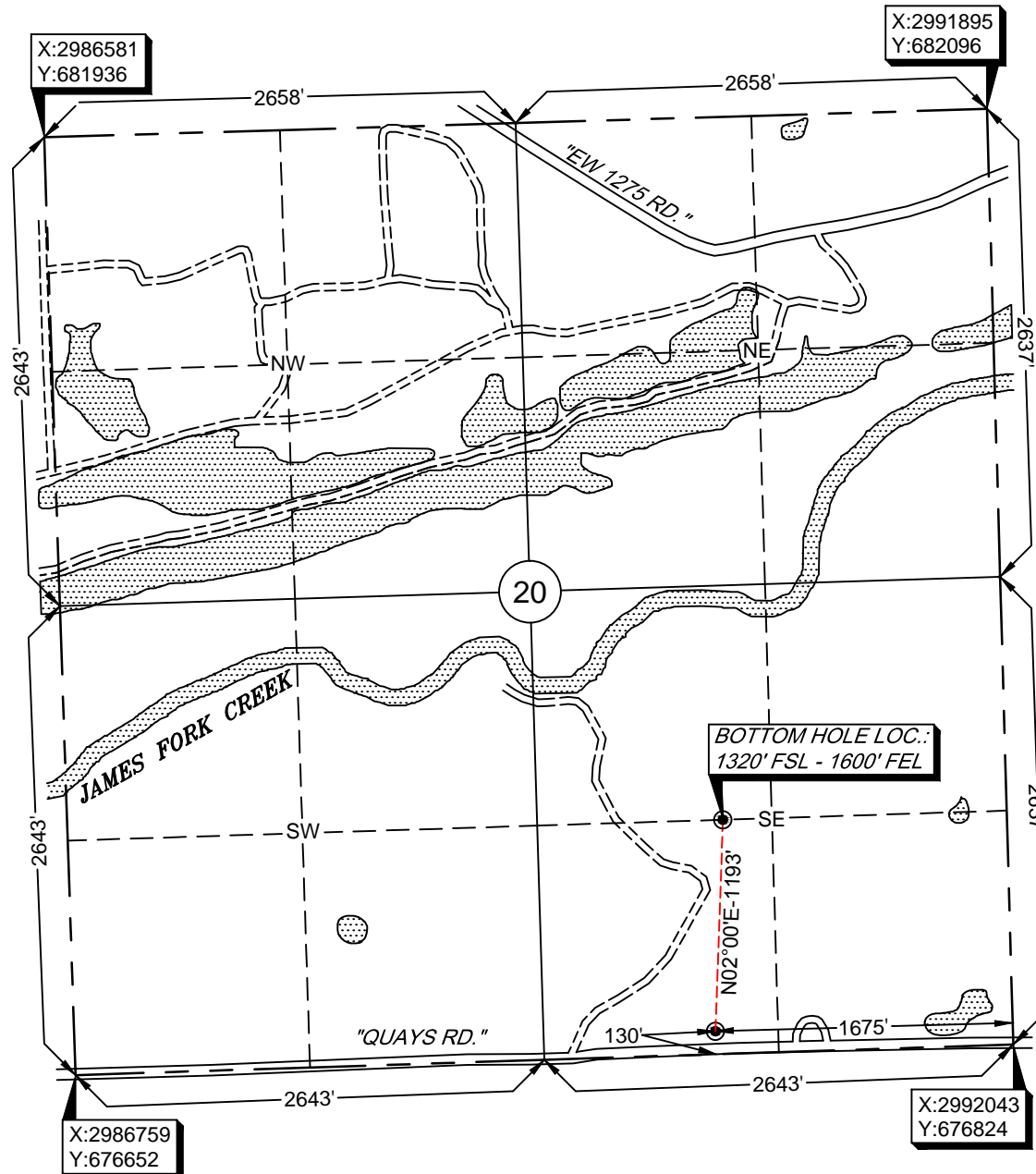
GPS DATUM

NAD 83

OK SOUTH ZONE

Surface Hole Loc.:
 Lat: 35°08'44.70"N
 Lon: 94°34'52.79"W
 Lat: 35.14575018
 Lon: -94.58133117
 X: 2990365
 Y: 676900

Bottom Hole Loc.:
 Lat: 35°08'56.47"N
 Lon: 94°34'51.81"W
 Lat: 35.14901930
 Lon: -94.58105703
 X: 2990407
 Y: 678092



-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS. -NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:

Arkoma Surveying and Mapping, PLLC

P.O. Box 238 Wilburton, OK 74578

Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. 5348

Expires June 30, 2020

Invoice #8314

Date Staked: 11/19/18 By: Z.D.

Date Drawn: 11/20/18 By: C.K.

Added BHL: 11/27/18 By: R.S.

Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Lance G. Mathis
 LANCE G. MATHIS

11/26/18

OK LPLS 1664

