

API NUMBER: 005 20483

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

Approval Date: 03/08/2023

Expiration Date: 09/08/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 24 Township: 2N Range: 12E County: ATOKA

SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 285 1875

Lease Name: SCALLYWAG Well No: 1-24/25H Well will be 285 feet from nearest unit or lease boundary.

Operator Name: BLACKBEARD OPERATING LLC Telephone: 4322420050 OTC/OCC Number: 24493 0

BLACKBEARD OPERATING LLC

FORT WORTH, TX 76107-6646

RALPH MCCLENDON AND MARIAN MCCLENDON

9231 E. COUCH RD.

KIOWA OK 74553

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

| | Name | Code | Depth |
|---|---------------|---------|-------|
| 1 | MISSISSIPPIAN | 359MSSP | 12690 |
| 2 | WOODFORD | 319WDFD | 13010 |
| 3 | HUNTON | 269HNTN | 13200 |
| 4 | SYLVAN | 203SLVN | 13240 |

Spacing Orders: 731584
732161

Location Exception Orders: 732162

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 21750

Ground Elevation: 621

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 100

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. (Other) SEE MEMO

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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.

PIT 1 INFORMATION**Type of Pit System:** ON SITE**Type of Mud System:** AIR

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:** 4**Liner not required for Category:** 4**Pit Location is:** AP/TE DEPOSIT**Pit Location Formation:** TERRACE

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

PIT 2 INFORMATION**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:** AP/TE DEPOSIT**Pit Location Formation:** TERRACE**PIT 3 INFORMATION****Type of Pit System:** CLOSED Closed System Means Steel Pits**Type of Mud System:** OIL BASED

Chlorides Max: 300000 Average: 200000

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**MULTI UNIT HOLE 1**

Section: 25 Township: 2N Range: 12E Meridian: 1M

Total Length: 8600

County: ATOKA

Measured Total Depth: 21750

Spot Location of End Point: NW SW NW SE

True Vertical Depth: 13500

Feet From: **SOUTH** 1/4 Section Line: 1800End Point Location from
Lease, Unit, or Property Line: 1800Feet From: **EAST** 1/4 Section Line: 2625**NOTES:**

| Category | Description |
|-----------------------------|---|
| DEEP SURFACE CASING | [3/1/2023 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. |
| FIELD RULE | [3/1/2023 - GC2] - MIN. 700' PER ORDER 281288, 42348, 69185 |
| HYDRAULIC FRACTURING | <p>[3/1/2023 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NH SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p> |
| LOCATION EXCEPTION - 732162 | <p>[3/7/2023 - G56] - (I.O.) 24 & 25-2N-12E X731584 MSSP, WDFD, HNTN, SLVN COMPL INT (24-2N-12E) NCT 165' FNL, NCT 0' FSL, NCT 1660' FEL COMPL INT (25-2N-12E) NCT 0' FNL, NCT 165' FSL, NCT 1660' FEL BLACKBEARD OP, LLC 2/14/2023</p> |
| MEMO | [3/1/2023 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH BOGGY CREEK), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT VIA FORM 1014X |
| SPACING - 731584 | <p>[3/7/2023 - G56] - (640)(HOR) 24 & 25-2N-12E VAC 568652 MSSP, WDFD, HNTN, SLVN EST MSSP, WDFD, HNTN, SLVN COMPL INT (MSSP, HNTN) NLT 660' FB COMPL INT (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL COMPL INT (SLVN) NLT 330' FB</p> |
| SPACING - 732161 | <p>[3/7/2023 - G56] - (I.O.) 24 & 25-2N-12E EST MULTIUNIT HORIZONTAL WELL X731584 MSSP, WDFD, HNTN, SLVN (MSSP, HNTN, SLVN ARE ADJACENT CSS TO WDFD) 57% 24-2N-12E 43% 25-2N-12E NO OP NAMED 2/14/2023</p> |