

API NUMBER: 005 20485

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: 23 Township: 2N Range: 12E County: ATOKA

SPOT LOCATION: ☐ NW ☐ NE ☐ NE ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 211 2293

Lease Name: PIECES OF EIGHT Well No: 1-23/35H Well will be 211 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

CLARK RHYNE; 1992 LIVING TRUST

8971 E. KELLY RD.

WARDVILLE OK 74756

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	12664
2	WOODFORD	319WDFD	12990
3	HUNTON	269HNTN	13190
4	SYLVAN	203SLVN	13230

Spacing Orders: 571524

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202204255
202204870
202204872
202204873
202204874
202204871

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 25200

Ground Elevation: 636

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 250

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:** BED AQUIFER**Pit Location Formation:** SAVANNA

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:** BED AQUIFER**Pit Location Formation:** SAVANNA**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:** BED AQUIFER**Pit Location Formation:** SAVANNA**MULTI UNIT HOLE 1**

Section: 35 Township: 2N Range: 12E Meridian: 1M

Total Length: 12300

County: ATOKA

Measured Total Depth: 25200

Spot Location of End Point: SW SE SW NW

True Vertical Depth: 13500

Feet From: **NORTH** 1/4 Section Line: 2477End Point Location from
Lease, Unit, or Property Line: 893Feet From: **WEST** 1/4 Section Line: 893**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 6000NHF 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>
MEMO	[3/1/2023 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT VIA FORM 1014X
PENDING CD - 202204255	<p>[3/7/2023 - G56] - (640)(HOR) 26-2N-12E VAC 246342 HNTN VAC 577036 MSSP, WDFD, SLVN EXT 724949 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 REC 2/15/2023 (NORRIS)</p>
PENDING CD - 202204870	<p>[3/7/2023 - G56] - (320)(HOR) N2 35-2N-12E 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 REC 2/15/2023 (NORRIS)</p>
PENDING CD - 202204871	<p>[3/7/2023 - G56] - (I.O.) 23, 26 & N2 35-2N-12E EST MULTIUNIT HORIZONTAL WELL X571524 MSSP, WDFD, HNTN, SLVN 23-2N-12E X202204255 MSSP, WDFD, HNTN, SLVN 26-2N-12E X202204870 MSSP, WDFD, HNTN, SLVN N2 35-2N-12E (MSSP, HNTN, SLVN ARE ADJACENT CSS TO WDFD) 41% 23-2N-12E 43% 26-2N-12E 16% N2 35-2N-12E NO OP NAMED REC 2/15/2023 (NORRIS)</p>
PENDING CD - 202204872	<p>[3/7/2023 - G56] - (I.O.) 23 & 26-2N-12E X571524 MSSP, WDFD, HNTN, SLVN 23-2N-12E X202204255 MSSP, WDFD, HNTN, SLVN 26-2N-12E COMPL INT (23-2N-12E) NCT 165' FNL, NCT 0' FSL, NCT 660' FWL COMPL INT (26-2N-12E) NCT 0' FNL, NCT 165' FSL, NCT 660' FWL COMPL INT (N2 35-2N-12E) NCT 0' FNL, NCT 165' FSL, NCT 660' FWL NO OP NAMED REC 2/15/2023 (NORRIS)</p>
PENDING CD - 202204873	<p>[3/7/2023 - G56] - 23-2N-12E X571524 WDFD 1 WELL NO OP NAMED REC 2/15/2023 (NORRIS)</p>
PENDING CD - 202204874	<p>[3/7/2023 - G56] - 26-2N-12E X202204255 WDFD 1 WELL NO OP NAMED REC 2/15/2023 (NORRIS)</p>
SPACING - 571524	<p>[3/7/2023 - G56] - (640) 23-2N-12E EXT 547376 MSSP, WDFD, HNTN, SLVN, OTHERS</p>

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