

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

API NUMBER: 083 24247

Approval Date: 01/09/2014

Expiration Date: 07/09/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 17N Rge: 2W

County: LOGAN

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 300 660

Lease Name: DOLESE

Well No: 1-28MH

Well will be 300 feet from nearest unit or lease boundary.

Operator Name: BLUE DOLPHIN PRODUCTION LLC

Telephone: 4052855388

OTC/OCC Number: 20881 0

BLUE DOLPHIN PRODUCTION LLC
13120 N MACARTHUR BLVD
OKLAHOMA CITY, OK 73142-3017

DOLESE BROS CO
20 N W 13TH STREET
OKLAHOMA CITY OK 73103

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	5350	6	
2	WOODFORD	5500	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201308121
201308122

Special Orders:

Total Depth: 10615

Ground Elevation: 925

Surface Casing: 400

Depth to base of Treatable Water-Bearing FM: 300

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: 5000 Average: 3000

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-26160
H. CLOSED SYSTEM=STEEL PITS REQUIRED - CIMARRON RIVER

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.

HORIZONTAL HOLE 1

Sec 28 Twp 17N Rge 2W County LOGAN

Spot Location of End Point: S2 S2 SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 4725

Radius of Turn: 500

Direction: 180

Total Length: 5115

Measured Total Depth: 10615

True Vertical Depth: 5500

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

PENDING CD - 201308121

1/9/2014 - G30 - (640) 28-17N-2W
(HOR) EXT 614840 MSSP, WDFD, OTHER
(HOR) EST OTHERS
(VER) EST OTHERS
REC 12/30/13 (P.PORTER)

PENDING CD - 201308122

1/9/2014 - G30 - 28-17N-2W
X201308121 MSSP, WDFD, OTHERS
SHL NCT 0 FNL, NCT 0 FWL**
POE NCT 0 FNL, NCT 0 FWL
1ST PERF NCT 330 FNL, NCT 330 FWL
LAST PERF NCT 330 FSL, NCT 330 FWL
BHL NCT 0 FSL, NCT 0 FWL
NO OP. NAMED
REC 12/30/13 (P.PORTER)

**SHL TO BE CORRECTED AT HEARING FOR FINAL ORDER PER OPERATOR

This permit does not address the right of entry or settlement of surface damages.

083 24247 DOLESE 1-28MH

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.