

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

API NUMBER: 119 24287

Approval Date: 10/10/2014
Expiration Date: 04/10/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 19N Rge: 1W County: PAYNE
SPOT LOCATION: SE NW SE NW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 960 1680

Lease Name: KAREN Well No: 3 Well will be 360 feet from nearest unit or lease boundary.
Operator Name: BLUE QUAIL LTD Telephone: 4053569350 OTC/OCC Number: 23202 0

BLUE QUAIL LTD
PO BOX 660
WELLSTON, OK 74881-0660

JOHN BODE
3312 N. PERRY RD.
PERRY OK 73077

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

Name	Depth	Name	Depth
1 CAMPBELL LOW	1550	6 VIOLA	5210
2 CLEVELAND	4200	7 2ND WILCOX	5400
3 OSWEGO	4400	8	
4 SKINNER	4680	9	
5 BARTLESVILLE	4790	10	

Spacing Orders: 624532

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 6000

Ground Elevation: 980

Surface Casing: 225

Depth to base of Treatable Water-Bearing FM: 100

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: ON SITE

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: 2

Liner not required for Category: 2

Pit Location is BED AQUIFER

Pit Location Formation: WELLINGTON

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

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.

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Category	Description
FRAC FOCUS	10/10/2014 - G71 - THE REQUIREMENT FOR CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS WILL BE EXTENDED TO INCLUDE ALL NON-HORIZONTAL WELLS FOR HYDRAULIC FRACTURING OPERATIONS BEGINNING JANUARY 1, 2014. REFER TO OCC RULE 165:10-3-10 FOR COMPLIANCE REQUIREMENTS. PLEASE REPORT DIRECTLY TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING - 624532	10/10/2014 - G91 - (80/40) NW4 2-19N-1W EXT (40) 602291/622610/623101 CMPBL, OTHERS E2 NW4 EXT (80) 602291/622610/623101 CLVD, OSWG, SKNR, BRVL, VIOL, WLCX2, OTHERS E2 NW4 (SE4 NW4 NCT 330' FB) EST (80) OTHER
SURFACE CASING	10/10/2014 - G71 - MIN. 225' PER ORDER 23028

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