

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

API NUMBER: 049 24532 B

Approval Date: 06/10/2016
Expiration Date: 12/10/2016

Directional Hole Oil & Gas

PERMIT TO RECOMPLETE

WELL LOCATION: Sec: 35 Twp: 1N Rge: 1E

County: GARVIN

SPOT LOCATION: S2 SW SW NE

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 295 330

Lease Name: HALLEE BLAIR

Well No: 1-R

Well will be 295 feet from nearest unit or lease boundary.

Operator Name: BAYS EXPLORATION INC

Telephone: 4052352297

OTC/OCC Number: 18082 0

BAYS EXPLORATION INC
4005 NW EXPRESSWAY STE 600
OKLAHOMA CITY, OK 73116-1689

ROBERT E DULANEY
PO BOX 839
DAVIS OK 73030

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

Name	Depth	Name	Depth
1 VIOLA	8710	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 508694

Location Exception Orders: 528503

Increased Density Orders:

555574

Pending CD Numbers: 201602153

Special Orders:

Total Depth: 10700

Ground Elevation: 802

Surface Casing: 3537 IP

Depth to base of Treatable Water-Bearing FM: 90

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

DIRECTIONAL HOLE 1

Sec 35 Twp 1N Rge 1E County GARVIN

Spot Location of End Point: NE NW NW SE

Feet From: SOUTH 1/4 Section Line: 2343

Feet From: WEST 1/4 Section Line: 546

Measured Total Depth: 10700

True Vertical Depth: 10656

End Point Location from Lease,

Unit, or Property Line: 297

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
HYDRAULIC FRACTURING	5/31/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
LOCATION EXCEPTION - 528503	5/31/2016 - G64 - (F.O.) N2 SE4 35-1N-1E X508694 VIOL, OTHERS POE VIOL 275' FNL, 350' FWL NO OP. NAMED 8-16-2006
LOCATION EXCEPTION - 555574	5/31/2016 - G64 - MODIFY 528503 FOR SHL 295' FSL, 330' FWL S2 NE4 35-1N-1E 6-18-2008
PENDING CD - 201602153	6/10/2016 - G64 - MODIFY 528503 FOR POE VIOL 103' FNL, 363' FWL REC. 6-10-2016 (M. PORTER)
SPACING - 508694	5/31/2016 - G64 - (80) 35-1N-1E LD NE/SW EXT 485491 VIOL, OTHERS EST OTHERS

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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.

049 24532 HALLEE BLAIR 1-R