

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

API NUMBER: 043 23467

Approval Date: 07/22/2016
Expiration Date: 01/22/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 17N Rge: 16W County: DEWEY
SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 80 850

Lease Name: BLUE STAR 16 MD Well No: #1HCG Well will be 80 feet from nearest unit or lease boundary.
Operator Name: MEWBOURNE OIL COMPANY Telephone: 9035612900 OTC/OCC Number: 6722 0

MEWBOURNE OIL COMPANY
PO BOX 7698
TYLER, TX 75711-7698

DENNIS L. STIDHAM LIFE ESTATE
RT. 1, BOX 9A
TALOGA OK 73667

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

Name	Depth	Name	Depth
1 COTTAGE GROVE	8000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 653159

Location Exception Orders: 653721

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 12709

Ground Elevation: 1850

Surface Casing: 2000

Depth to base of Treatable Water-Bearing FM: 240

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: Yes

Surface Water used to Drill: No

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: WATER BASED

Chlorides Max: 25000 Average: 7500

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: 1B

Liner required for Category: 1B

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

H. SOIL COMPACTED PIT, NOTIFY DISTRICT PRIOR TO TESTING SOIL PIT LINER

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 16 Twp 17N Rge 16W County DEWEY

Spot Location of End Point: C N2 N2 NW

Feet From: NORTH 1/4 Section Line: 330

Feet From: WEST 1/4 Section Line: 1320

Depth of Deviation: 7530

Radius of Turn: 575

Direction: 3

Total Length: 4275

Measured Total Depth: 12709

True Vertical Depth: 8100

End Point Location from Lease,
Unit, or Property Line: 330

Notes:

Category	Description
DEEP SURFACE CASING	7/21/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	7/21/2016 - 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 MI.
INTERMEDIATE CASING	7/21/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 653721	7/22/2016 - G60 - (I.O.) 16-17N-16W X653159 CGGV COMPL. INT. NCT 330' FNL, NCT 330' FSL, NCT 600' FWL MEWBOURNE OIL COMPANY 6-22-16
SPACING - 653159	7/22/2016 - G60 - (640)(HOR) 16-17N-16W EST CGGV POE TO BHL 660' FB (COEXIST WITH SP. ORDER 64419 CGGV)

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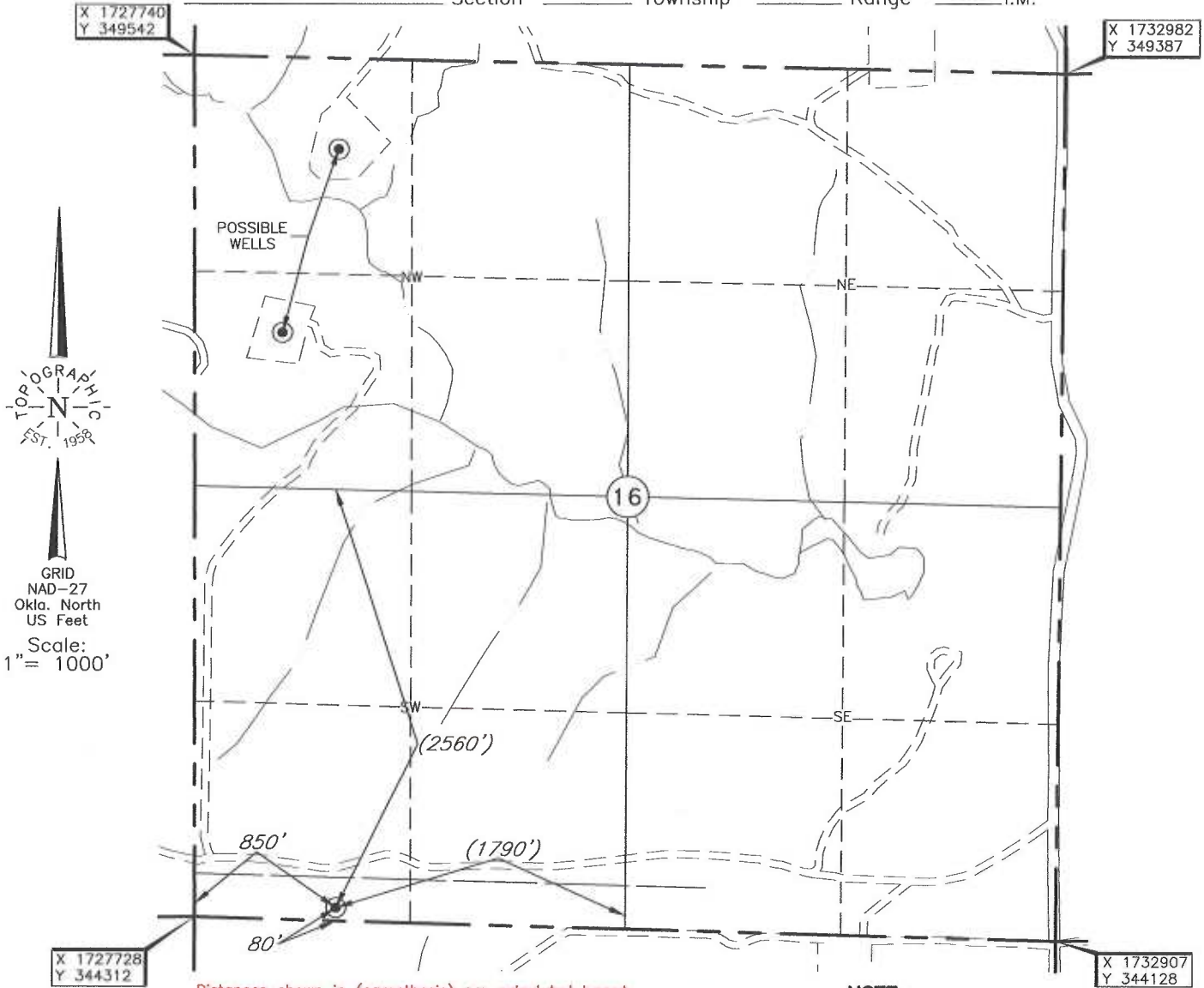
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

API: 043-23467

DEWEY County, Oklahoma

80'FSL - 850'FWL Section 16 Township 17N Range 16W I.M.



Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, those shown in [brackets] are based on GLO (General Land Office) distances and have NOT been measured on the ground.

NOTE:
 The information shown herein is for construction purposes ONLY.

Operator: MEWBOURNE OIL COMPANY
 Lease Name: BLUE STAR 16 Well No.: MD#1HCG **ELEVATION:** 1850' Gr. at Stake
 Topography & Vegetation Loc. fell in sloped grass pasture, ±180' South of E-W pipeline

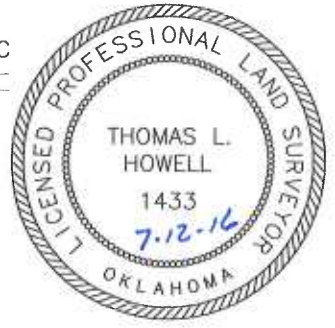
Good Drill Site? Yes Reference Stakes or Alternate Location
 Stakes Set None

Best Accessibility to Location From East off lease road
 Distance & Direction
 from Hwy Jct or Town From Putnam, OK, go ±2.0 mi. East, then ±3.0 mi. North, then ±0.75 East, then ±3.5 mi. North, then ±1.0 mi. West through Sec. 16-T17N-R16W to location in the SW/4 of Sec. 16-T17N-R16W

DATUM: NAD-27
 LAT: 35°56'33.0"N
 LONG: 98°55'00.9"W
 LAT: 35.942506528° N
 LONG: 98.916921042° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1728578
 Y: 344362

Date of Drawing: Jul. 12, 2016
 Invoice # 262764 Date Staked: Jul. 11, 2016 AC

CERTIFICATE:
 I, Thomas Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.
Thomas L. Howell
 Oklahoma Lic. No. 1433



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.