

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

API NUMBER: 093 25038

Approval Date: 10/03/2016  
Expiration Date: 04/03/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 20N Rge: 14W County: MAJOR  
SPOT LOCATION:  SW  SW  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 165 1140

Lease Name: SHOLTESS Well No: 7-3MH Well will be 165 feet from nearest unit or lease boundary.

Operator Name: RED BLUFF RESOURCES OPERATING LLC Telephone: 4056058300 OTC/OCC Number: 23828 0

RED BLUFF RESOURCES OPERATING LLC  
3030 NW EXPRESSWAY STE 650  
OKLAHOMA CITY, OK 73112-5447

ELSIE EDWARDS  
6681 N MIDWEST BLVD  
EDMOND OK 73034

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

	Name	Depth	Name	Depth
1	BIG LIME	7272	6	
2	VERDIGRIS	7484	7	
3	CHESTER	7748	8	
4	MISSISSIPPIAN SOLID	8594	9	
5	WOODFORD	9235	10	

Spacing Orders: 144522  
375298  
375982

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201603855  
201603856

Special Orders:

Total Depth: 14154 Ground Elevation: 1753 **Surface Casing: 1000** Depth to base of Treatable Water-Bearing FM: 510

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31597

Chlorides Max: 16000 Average: 8000

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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

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 03 Twp 20N Rge 14W County MAJOR

Spot Location of End Point: NW NW NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 990

Depth of Deviation: 8459

Radius of Turn: 474

Direction: 1

Total Length: 4950

Measured Total Depth: 14154

True Vertical Depth: 9235

End Point Location from Lease,  
Unit, or Property Line: 165

Notes:

Category	Description
DEEP SURFACE CASING	9/30/2016 - 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	9/29/2016 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> 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.
INTERMEDIATE CASING	9/30/2016 - 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
PENDING CD - 201603855	9/30/2016 - G64 - (I.O.) 3-20N-14W X375298/375982 CSTR X144522 MSSSD 1 WELL NO OP. NAMED REC. 9-26-2016 (M. PORTER)
PENDING CD - 201603856	9/30/2016 - G64 - (I.O.) 3-20N-14W X375298/375982 CSTR X144522 MSSSD COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL NO OP. NAMED REC. 9-26-2016 (M. PORTER)
SPACING	9/30/2016 - G64 - BIG LIME, VERDIGRIS, WOODFORD UNSPACED; 640-ACRE LEASE PER OPERATOR
SPACING - 144522	9/30/2016 - G64 - (640) 3-20N-14W EXT 126543 MSSSD, OTHERS
SPACING - 375298	9/30/2016 - G64 - (640) 3-20N-14W EXT 35186/133244 CSTR, OTHER
SPACING - 375982	9/30/2016 - G64 - NPT 375298 TO CLARIFY CHESTER AS IMMEDIATELY BELOW THE UNCONFORMITY CHESTER

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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.



# Well Location Plat

Sec. 3-20N-14W I.M.

Operator: RED BLUFF RESOURCES  
 Lease Name and No. : SHOLTESS 7-3MH  
 Footage : 165' FSL - 1140' FEL GR. ELEVATION : 1753' Good Site? YES  
 Section: 3 Township: 20N Range: 14W I.M.  
 County : Major State of Oklahoma  
 Alternate Loc.: N/A  
 Terrain at Loc. : Location fell in pasture/ fell north and east of fence. Aerial power line runs E-W with fence.

## API: 093 25038



Accessibility : From the East.  
 Directions : From the intersection of Highway 58/8/60 and Highway 60 in the town of Fairview, OK, go 11.0 miles West on HWY 60, go 1.0 mile North on "NS 243 Rd.", then go 0.25 mile West on "EW 54 Rd." to the site to the north in the Southeast Corner of Section 3-20N-14W.

1"=1000'

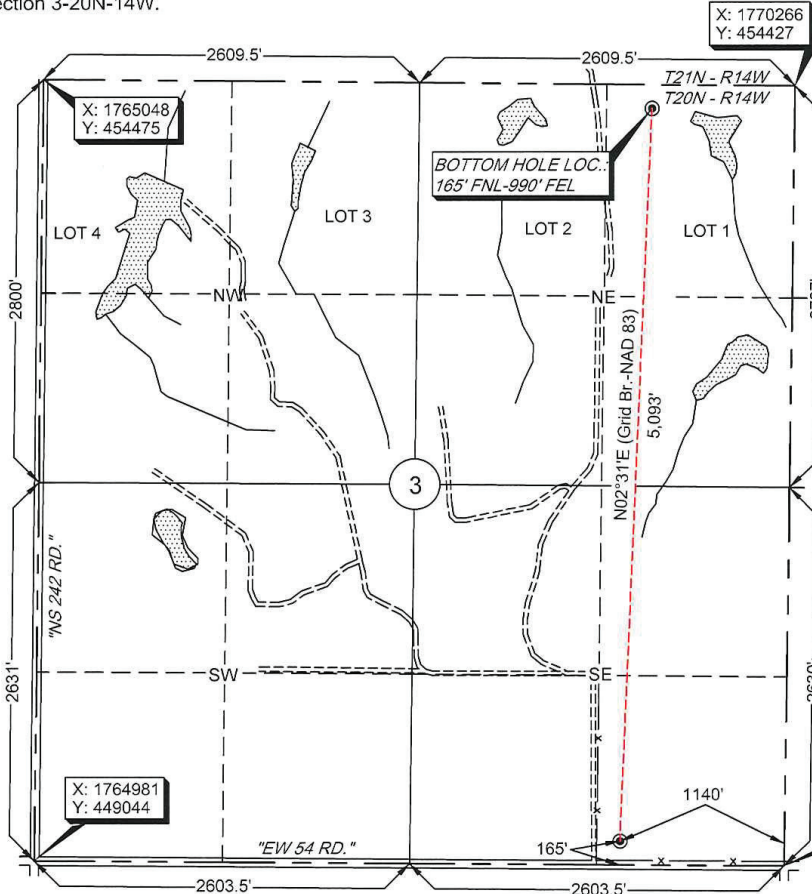
GPS DATUM  
 NAD - 83  
 OK NORTH ZONE

Surface Hole Loc.:  
 Lat: 36°13'55.37"N  
 Lon: 98°40'34.58"W  
 X: 1769050  
 Y: 449183

Bottom Hole Loc.:  
 Lat: 36°14'45.70"N  
 Lon: 98°40'32.29"W  
 X: 1769274  
 Y: 454271

NOTE: X and Y data shown hereon for Section Corners and NOT a true boundary survey. Coordinates were obtained from a true Boundary Survey. Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.

Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.



survey and plat by,  
**Arkoma Surveying and Mapping, PLLC**  
 P.O. Box 238 Wilburton, OK 74578  
 Ph. 918-465-5711 Fax 918-465-5030  
 Certificate of Authorization No. 5348  
 Expires August 31, 2018

**Certification:**  
 This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Invoice #6553  
 Date Staked : 08/08/16 By : JW  
 Date Drawn : 08/11/16 By : SS  
 Rev. BHL : 09/21/16 By : RS

*Lance G. Mathis*  
 LANCE G. MATHIS 09/21/16  
 OK LPLS 1664

