

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

API NUMBER: 105 41147

Approval Date: 02/03/2014

Expiration Date: 08/03/2014

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 25N Rge: 15E

County: NOWATA

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 400 2400

Lease Name: HUDNALL

Well No: 3

Well will be 240 feet from nearest unit or lease boundary.

Operator Name: CEP MID-CONTINENT LLC

Telephone: 9188772912

OTC/OCC Number: 22193 0

CEP MID-CONTINENT LLC

PO BOX 970

SKIATOOK, OK 74070-0970

HUDNALL FAMILY TRUST

1815 SOUTHVIEW AVENUE

BARTLESVILLE OK 74003

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

	Name	Depth		Name	Depth
1	BIG LIME	25	6	RED FORK	569
2	PERU	113	7	BARTLESVILLE	715
3	COAL (PENNSYLVANIAN)	359	8	ROWE COAL	885
4	PRUE	378	9	RIVERTON	964
5	SKINNER	437	10	MISSISSIPPIAN	990

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 1075

Ground Elevation: 665

**Surface Casing: 200**

Depth to base of Treatable Water-Bearing FM: 40

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: AIR

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: NOWATA

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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
FRAC FOCUS	1/31/2014 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
SPACING	2/3/2014 - G30 - FORMATIONS UNSPACED, 60 ACRE LEASE (SE4 SE4 & E2 SW4 SE4)