

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

API NUMBER: 095 20635

Approval Date: 03/25/2014  
Expiration Date: 09/25/2014

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 4S Rge: 6E County: MARSHALL  
SPOT LOCATION:  NW  SE  NW  NW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 1920 810

Lease Name: LOGAN BEARD Well No: 1-31 Well will be 720 feet from nearest unit or lease boundary.  
Operator Name: CONTINENTAL EXPLORATION LLC Telephone: 2146158558 OTC/OCC Number: 21863 0

CONTINENTAL EXPLORATION LLC  
275 W CAMPBELL RD STE 440  
RICHARDSON, TX 75080-8006

LOGAN BEARD  
P.O. BOX 128  
MADILL OK 73446

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

	Name	Depth	Name	Depth
1	SYCAMORE	6490	6	
2	WOODFORD	6650	7	
3	HUNTON	6960	8	
4			9	
5			10	

Spacing Orders: 533420

Location Exception Orders:

Increased Density Orders: 622190

Pending CD Numbers: 201400677

Special Orders:

Total Depth: 7500

Ground Elevation: 784

**Surface Casing: 610**

Depth to base of Treatable Water-Bearing FM: 560

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

Chlorides Max: 8000 Average: 5000

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: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CADDO

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 14-26701

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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	3/18/2014 - 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
INCREASED DENSITY - 622190	3/25/2014 - G75 - 31-4S-6E X533420 SCMR, WDFD, HNTN, OTHER 1 WELL NO OP. NAMED 3-4-2014
PENDING CD - 201400677	3/25/2014 - G75 - 31-4S-6E X533420 SCMR, WDFD, HNTN, OTHERS 720 FNL, 810 FWL NO OP. NAMED REC 3-11-2014 (OSBURN)
SPACING - 533420	3/25/2014 - G75 - (640) 31-4S-6E VAC OTHERS EXT 434368 SCMR, WDFD, HNTN, OTHERS EXT OTHERS
SURFACE LOCATION	3/25/2014 - G75 - 1920' FSL, 810' FWL NW4 31-4S-6E PER OPERATOR

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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.

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