

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

API NUMBER: 119 24307

Approval Date: 11/12/2014
Expiration Date: 05/12/2015

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 30 Twp: 19N Rge: 6E County: PAYNE
SPOT LOCATION: C SW NW SE FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1650 330

Lease Name: ELLIOTT HUDSON Well No: 3 Well will be 330 feet from nearest unit or lease boundary.
Operator Name: LIBERTY OPERATING INC Telephone: 4053296200 OTC/OCC Number: 15227 0

LIBERTY OPERATING INC
1827 ATCHISON DR
NORMAN, OK 73069-8225

JAMES LEE ELLIOTT
814 S. UNDERWOOD
YALE OK 74085

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

Name	Depth	Name	Depth
1 BIG LIME	2600	6 RED FORK	3090
2 PERU	2704	7 MISSISSIPPI LIME	3386
3 OSWEGO	2744	8 MISENER	3524
4 PRUE	2810	9 VIOLA	3533
5 SKINNER	3004	10 SIMPSON	3554

Spacing Orders: No Spacing

Location Exception Orders: _____

Increased Density Orders: _____

Pending CD Numbers:

Special Orders: _____

Total Depth: 3650 Ground Elevation: 790 **Surface Casing: 800** Depth to base of Treatable Water-Bearing FM: 750

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 1900 Average: 1400

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 14-28675
H. CLOSED SYSTEM=STEEL PITS REQUIRED (CIMARRON RIVER)

Notes:

This permit does not grant 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	10/6/2014 - G76 - 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 HTTP://FRACFOCUS.ORG/ OR FOR OCC ASSISTANCE CONTACT DENNIS NISKERN AT 405-522-2977 OR D.NISKERN@OCCEMAIL.COM
PUBLIC WATER SUPPLY	10/6/2014 - G76 - 1 PWS/WPA- YALE WELL 1 NORTH - NE4 30-19N-6E
SPACING	11/12/2014 - G76 - FORMATIONS UNSPACED; 152-ACRE LEASE (INCLUDING W2 SE4)

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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