

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

API NUMBER: 137 27232

Approval Date: 05/23/2014
Expiration Date: 11/23/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 2N Rge: 4W County: STEPHENS
SPOT LOCATION: NW SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 370 515

Lease Name: MCCLELLAND Well No: 1H-26X Well will be 370 feet from nearest unit or lease boundary.
Operator Name: NEWFIELD EXPLORATION MID-CON INC Telephone: 9188781290 OTC/OCC Number: 20944 0

NEWFIELD EXPLORATION MID-CON INC
1 WILLIAMS CTR STE 1900
TULSA, OK 74172-0162

NEWFIELD EXPLOR. MID-CONT., INC.
ONE WILLIAMS CENTER, SUITE 1900
TULSA OK 74172

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

	Name	Depth	Name	Depth
1	SYCAMORE	13462	6	
2	WOODFORD	13611	7	
3	HUNTON	13926	8	
4			9	
5			10	

Spacing Orders: 622176
622891

Location Exception Orders: 622661
623292

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 24887

Ground Elevation: 1138

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 910

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: 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 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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-27307

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 150000

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

HORIZONTAL HOLE 1

Sec 35 Twp 2N Rge 4W County STEPHENS

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 480

Depth of Deviation: 13900

Radius of Turn: 740

Direction: 180

Total Length: 10517

Measured Total Depth: 24887

True Vertical Depth: 14278

End Point Location from Lease,
Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

5/23/2014 - G71 - APPROVED CONTINGENT ON NOTIFYING OCC FIELD STAFF IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

LOCATION EXCEPTION - 622661

5/23/2014 - G72 - 26-2N-4W (I.O.)
X 622176 SCMR, WDFD, HNTN;
SHL NCT 330 FSL NCT 660 FEL;**
COMP INT. NCT 940 FSL NCT 0 FSL NCT 330FEL;
NEWFIELD EXPLORATION MID-CONTINENT INC.;
3/14/2014

** SHL NOT SAME AS ITD: TO BE CORRECTED AT HEARING FOR FINAL LOCATION PER OPERATOR

LOCATION EXCEPTION -623292

5/23/2014 - G72 - 35-2N-4W (I.O.)
X 622176 SCMR, WDFD, HNTN;
SHL NCT 330 FSL NCT 660 FEL SEC 26;**
COMP INT. 0 FNL NCT 1600 FSL NCT 330 FEL.
NEWFIELD EXPLORATION MID-CONTINENT INC.;
3/28/2014

** SHL NOT SAME AS ITD: TO BE CORRECTED AT HEARING FOR FINAL LOCATION PER OPERATOR

MEMO

5/23/2014 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, WBM & OBM CUTTINGS CAPTURED IN CONCRETE-LINED PIT, SOLIDIFIED, AND BURIED ON SITE; PIT 2 - OBM TO VENDOR

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
MULTIUNIT - 622891	5/23/2014 - G72 - 26 & 35-2N-4W (I.O.) EST 622176 SEC 26 & 622176 SEC 35 (SHALE RES) SCMR, WDFD, HNTN ; SCMR & HNTN ASSO CSS; SEC 26=23% SEC 35=77%; NEWFIELD EXPLORATION MID-CONTINENT INC.; 3/19/2014
SPACING - 622176	5/23/2014 - G72 - (640) HORZ 26 & 35-2N-4W, OTHERS; EST SCMR, WDFD, HNTN; WDFD NLT 330 FB; SCMR, HNTN NLT 660 FB;

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.

OKLAHOMA

Corporation Commission

P.O. BOX 52000
OKLAHOMA CITY OKLAHOMA 73152-2000

255 Jim Thorpe Building
Telephone: (405)521-2302
FAX: (405)521-3099

OIL & GAS CONSERVATION DIVISION



Lori Wrotenbery, Director

November 15, 2010

J. Blake Scott
Scott Environmental Services, Inc.
P.O. Box 6215
Longview, Texas 75608

API 137-27232

RE: Requests for variances to liner requirements for pits used to contain oil-based cuttings.

Dear Mr. Scott:

This is in response to your inquiry concerning the procedure by which operators of wells in the State of Oklahoma regulated by the Commission's Oil and Gas Conservation Division may request variances to liner requirements for pits used to contain oil-based cuttings (OBC). OAC 165:10-7-16(b)(1)(B)(iv) provides that any pit used to contain oil-based drilling fluids, cuttings and/or completion/fracture/workover fluids shall be required to have a geomembrane liner. OAC 165:10-7-16(b)(5) states that any variance from the liner requirements of OAC 165:10-7-16 may be granted by the Manager of the Technical Services Department after receipt of a written request and supporting documentation required by the Department. Operators must submit written requests for variances to liner requirements for pits used to contain OBC to the Commission's Technical Services Department (TSD) Manager as attachments to initial or amended OCC Form 1000 Applications to Drill, Recomplete or Reenter.

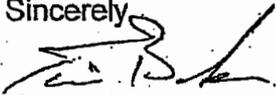
The TSD Manager will require operators to submit documentation in support of requests for variances. Variances to liner requirements for pits containing OBC are not effective until granted by the TSD Manager. If operators requesting variances to liner requirements for pits containing OBC fail to submit acceptable documentation to the TSD Manager, or if such variance requests are denied, then operators are required to deposit the solidified OBC in pits containing geomembrane liners and close the pits as required by OAC 165:10-7-16, or otherwise dispose of the solidified OBC in accordance with Commission rules.

If the processes employed by your company and any other entity demonstrate through the submission of laboratory analyses, chain of custody forms and any other documentation required by the TSD Manager that the solidified OBC for which a variance from the pit liner requirements is sought meet acceptable criteria, then the TSD Manager could approve such variance requests submitted by operators.

Your company has demonstrated in three separate trials to date that solidified OBC for which variances were sought by operators have met the criteria of the Technical Services Department for burying such materials in pits with no geomembrane liners.

If you have any questions concerning the foregoing, please contact me at (405) 522-2763.

Sincerely,



Tim Baker
Manager, Pollution Abatement Department
Oklahoma Corporation Commission

Cc: Lori Wrotenbery, Ron Dunkin, Wayne Wright, Grant Ellis, Tony Cupp, Terry Grooms,
Gayland Darity, Sally Shipley, Keith Thomas, Susan Conrad, Jim Hamilton, Connie Moore



Newfield Exploration Mid-Continent, Inc.
One Williams Center; Suite 1900
Tulsa, OK 741729
918-582-2690
Fax: 918-732-1787

May 21, 2014

API 137-27232

Oklahoma Corporation Commission
Oil & Gas Conservation Division
P.O. Box 52000-2000
Oklahoma City, Oklahoma 73152-2000

ATTN: Manager of the Technical Services Department

RE: Liner Variance Request
McClelland 1H-26X
Sec 23-02N-04W, Stephens County

Dear Sir:

We are requesting a variance to the liner requirements for the burial of oil-based cuttings (OBC) as stated in rules of the Oklahoma Corporation Commission (OCC). We intend to bury the OBC from the above mentioned well using Scott Environmental Services Inc.'s (SESI) stabilization and solidification process, DuroSM. Specifically, the request for a variance is because the chosen process cannot be practically carried out under current Oklahoma rules due to the rules stating that OBC burial requires a geomembrane liner but the rules do not allow stirring within geomembrane lined pits.

In a letter dated November 15, 2010, Mr. Tim Baker confirmed that use of a DuroSM process had met the requirements of the Commission. It is requested that a variance be approved for this well site, provided that the following conditions are met:

1. A soil liner may be used instead of a geomembrane liner if the unconfined compressive strength (UCS) of the DuroSM material is at least 70 pounds per square inch (psi), or
2. No liner is required if the DuroSM material meets all of the following conditions:
 - a. A permeability of not more than 1×10^{-6} cm/sec;
 - b. A UCS of at least 35 psi; and
 - c. Concentrations in a leachate of the DuroSM material according to EPA's SPLP procedure do not exceed the following values for the constituents named:
 - i. Total Petroleum Hydrocarbons, 100 mg/l;
 - ii. pH, 12.49 SU, plus a lower limit no less than 6;
 - iii. Arsenic, 5.00 mg/l;
 - iv. Barium, 100 mg/l;
 - v. Cadmium, 1.00 mg/l;
 - vi. Chromium, 5.00 mg/l;
 - vii. Lead, 5.00 mg/l;
 - viii. Mercury, 0.20 mg/l;

- ix. Selenium, 1.00 mg/l;
- x. Silver, 5.00 mg/l;
- xi. Zinc, 5.00 mg/l; and
- xii. Benzene, 0.5 mg/l.

The permeability value specified in item 2(a) is the same as that required for a standard soil liner, so that in effect the DuroSM processed material becomes its own liner but is even more effective, because the low permeability extends throughout the bulk of the DuroSM material.

Conformance with the specified criteria is determined on laboratory samples made with a representative sample of the waste to be subjected to the DuroSM process. The results of the testing will be provided to the Pollution Abatement Department of the OCC.

Your prompt attention to this matter is appreciated.

Sincerely,



Daniele Burris
Sr. Regulatory Specialist

cc: WF
Geoffrey Nielsen

AP 137-27232

Well Location Plat

M & M Land Surveying, Inc.

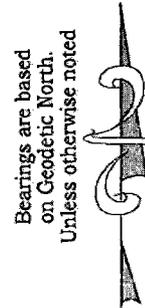
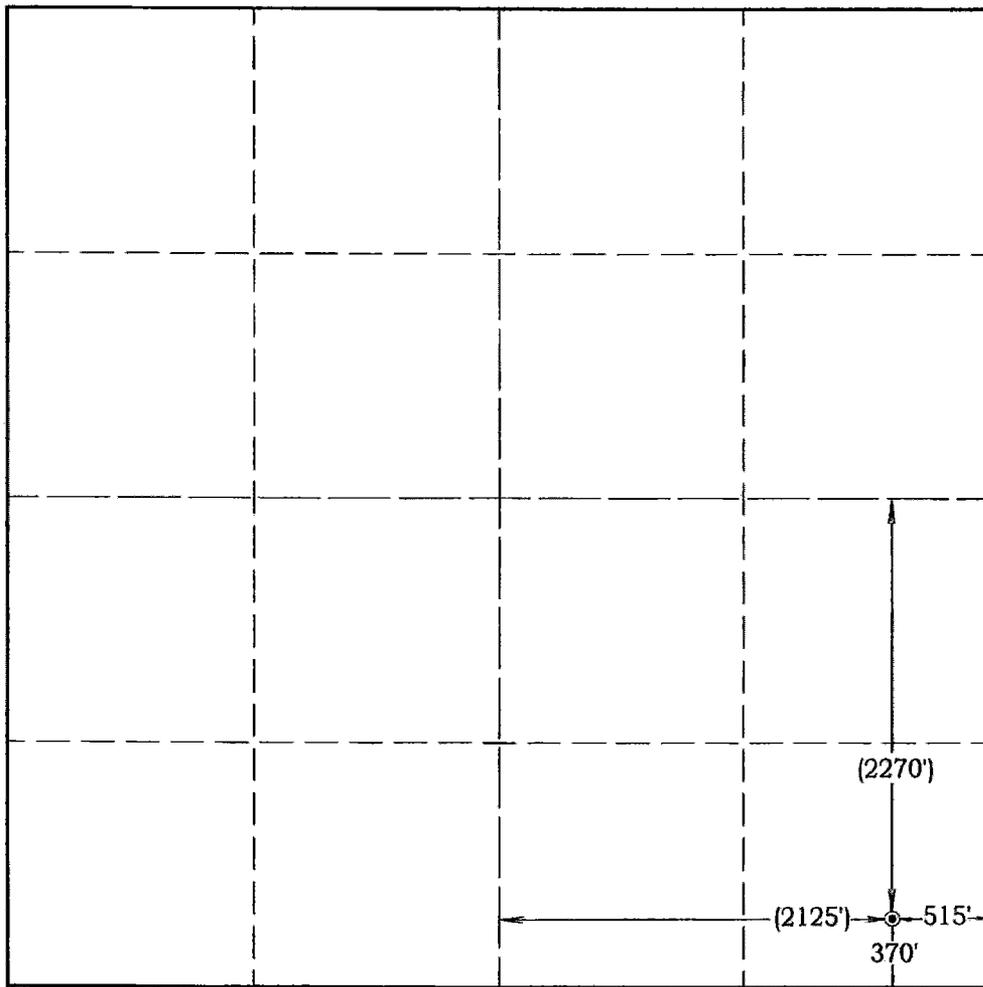
520 "E" Street NW. Ardmore, OK. 73401
Office 580-226-0446 Mobile 580-221-4999 Fax 580-226-7158

Company Name: Newfield Exploration Mid-Continent, Inc. Lease Name: McClelland #1H-26x
Section 23 Township 2 North Range 4 West County Stephens Oklahoma

Surface Location 370' FSL - 515' FEL Elevation 1138' Good Location? Yes

Topography

Location fell in a pasture
±40' South of the brush
& ±240' North of a
pipeline.



Scale: 1" = 1000'
Invoice #13414
Date 12/17/2013

Elevations of Proposed Pad Corners

- NW/C - N/A
- NE/C - N/A
- SE/C - N/A
- SW/C - N/A

Coordinates were derived from GPS RTK methods and are only accurate within ±10 feet

Location GPS NAD 27
Oklahoma South
Surface Location

Latitude: 34.62413°
Longitude: 97.58183°
Y = 469,996'
X = 2,125,805'

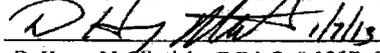
Location NAD 83
Surface Location
Latitude: 34.62421°
Longitude: 97.58214°

Best Accessibility to Location
From the West

Distance & Direction From From the Jct. of SH. #29 & SH. #76 North, go 0.7 miles South on County road to a Lease Rd. East, 0.3 miles North of the Southwest Corner of Section 23.
Highway or Town Section 23.

CERTIFICATE:

I, D. Harry McClintick, a Registered Land Surveyor in the state of Oklahoma, do hereby certify that the above described Well Location was surveyed and staked on the ground as shown.


D. Harry McClintick, R.P.L.S. # 1367, CA # 3093

This location has been staked according to the best official survey records available to us, but its accuracy is not guaranteed. Please review this plat and notify us immediately of any discrepancy.

The distances shown in parenthesis () are calculated distances based on the quarter section being 2640' and have not been measured.

