

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

API NUMBER: 049 25150

Approval Date: 08/23/2017

Expiration Date: 02/23/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 2N Rge: 3W County: GARVIN
SPOT LOCATION: ☐ NE ☐ NW ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 315 780

Lease Name: N. HAYS Well No: 7H-5XR Well will be 315 feet from nearest unit or lease boundary.
Operator Name: NEWFIELD EXPLORATION MID-CON INC Telephone: 2816742521; 9188781 OTC/OCC Number: 20944 0

NEWFIELD EXPLORATION MID-CON INC
24 WATERWAY AVE STE 900
SPRING, TX 77380-2764

GARY L. DRIVER, BETTY L. DRIVER CUSTODIAN
2005 GRANDVIEW AVE.
NORMAN OK 73072

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	11274	6	
2	WOODFORD	11582	7	
3	HUNTON	11803	8	
4			9	
5			10	

Spacing Orders: 627930 Location Exception Orders: 666495 Increased Density Orders: 666631
666691 666694

Pending CD Numbers: 201703770

Special Orders:

Total Depth: 21878 Ground Elevation: 1178 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 330

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

PIT 1 INFORMATION

Type of Pit System: ON SITE

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 located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is BED AQUIFER

Pit Location Formation: DUNCAN

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

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

F. Haul to Commercial soil farming facility: Sec. 28 Twn. 2N Rng. 4W Cnty. 137 Order No: 665063

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: WATER BASED

Chlorides Max: 5000 Average: 3000

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 BED AQUIFER

Pit Location Formation: DUNCAN

PIT 3 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

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 BED AQUIFER

Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 08 Twp 2N Rge 3W County GARVIN

Spot Location of End Point: SW SW SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 991

Depth of Deviation: 10832

Radius of Turn: 477

Direction: 185

Total Length: 10297

Measured Total Depth: 21878

True Vertical Depth: 11803

End Point Location from Lease,

Unit, or Property Line: 50

Notes:

Category

Description

DEEP SURFACE CASING

8/23/2017 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

EXCEPTION TO RULE - 666694

8/22/2017 - G75 - (I.O.) 5 & 8-2N-3W
X165:10-3-28(C)(2)(B) WDFD (N. HAYS 7H-5XR)
MAY BE CLOSER THAN 600' TO EXISTING/PROPOSED WELL
NEWFIELD EXPLOR. MID-CONT. INC.
8-4-2017

This permit does not address the right of entry or settlement of surface damages.

049 25150 N. HAYS 7H-5XR

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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.

Category	Description
HYDRAULIC FRACTURING	<p>8/22/2017 - G75 - OCC 165:10-3-10 REQUIRES:</p> <p>1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;</p> <p>2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG</p>
INCREASED DENSITY - 666631	<p>8/22/2017 - G75 - 8-2N-3W X627930 WDFD 7 WELLS NEWFIELD EXPLOR. MID-CONT. INC. 8-3-2017</p>
LOCATION EXCEPTION - 666495	<p>8/22/2017 - G75 - (I.O.) 5 & 8-2N-3W X627930 MSSP, WDFD, HNTN COMPL. INT. (5-2N-3W) NCT 165' FNL, NCT 0' FSL, NCT 900' FEL COMPL. INT. (8-2N-3W) NCT 0' FNL, NCT 165' FSL, NCT 900' FEL NEWFIELD EXPLOR. MID-CONT. INC. 8-1-2017</p>
MEMO	<p>8/22/2017 - G75 - PIT 2 & 3 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST, WBM & OBM CUTTINGS CAPTURED IN STEEL HALF PITS & TRANSFERRED TO BACKYARD ENERGY SERVICES SOUTH SCOOP FACILITY (SE4 28-2N-4W, STEPHENS CO.); PIT 3 - OBM TO VENDOR</p>
PENDING CD - 201703770	<p>8/22/2017 - G75 - 5-2N-3W X627930 WDFD 7 WELLS NO OP. NAMED REC 7-3-2017 (MCKEOWN)</p>
SPACING - 627930	<p>8/22/2017 - G75 - (640)(HOR) 5 & 8-2N-3W VAC 578700 SCMR, WDFD, HNTN EXT 607412 MSSP, WDFD, HNTN COMPL. INT. (MSSP, HNTN) NLT 660' FB COMPL. INT. (WDFD) NLT 330' FB</p>
SPACING - 666691	<p>8/22/2017 - G75 - (I.O.) 5 & 8-2N-3W EST MULTIUNIT HORIZONTAL WELL X627930 MSSP, WDFD, HNTN (MSSP, HNTN ASSOCIATED COMMON SOURCES OF SUPPLY TO WDFD) 50% 5-2N-3W 50% 8-2N-3W NEWFIELD EXPLOR. MID-CONT. INC. 8-4-2017</p>

This permit does not address the right of entry or settlement of surface damages.

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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.

OKLAHOMA
CORPORATION COMMISSION
P.O. BOX 52000
OKLAHOMA CITY, OKLAHOMA 73152-2000

255 Jim Thorpe Building
Telephone: (405) 521-2500
FAX: (405) 522-0757

OIL & GAS CONSERVATION DIVISION



POLLUTION ABATEMENT
Underground Injection Control

July 27, 2017

API 049-25150

Backyard Energy Services, LLC
Conor O'Reilly
1601 NW Expressway, Suite 1450
Oklahoma City, Oklahoma 73118

RE: Backyard Energy Services, LLC, Oil Based Drill Cuttings Treatment Process, Pilot Project, State of Oklahoma

Dear Mr. O'Reilly,

The Pollution Abatement Department has reviewed the documentation and analyses furnished to us by Backyard Energy Services, LLC (Backyard) in support of a commercial non-deleterious facility (Facility), filed in Cause PD No. 201700132, requesting statewide authority.

It is our understanding that Backyard has an agreement with an operator in the area that is willing to furnish oil based drill cuttings (Drill Cuttings) for processing into a material that will be used for construction of the operator's drill sites. As a result of our review and technical meeting with Backyard representatives, you will have the ability to recycle/process the operator's Drill Cuttings for use for construction of drill sites, until October 27, 2017, or until a final Commission order issues.

Prior to using the processed material for construction, Backyard will provide the Pollution Abatement Department with the analyses of the processed material to be used, demonstrating it complies with the Target Limits set forth in the Amended Application in Cause PD No. 201700132. Backyard will also furnish the legal location and amount of processed material to be used for the construction of each drill site prior to commencement of construction. Once the construction has been completed, Backyard will prepare a post summary report. Records of the amount of incoming oil based drill cutting and the amount of outgoing processed material will be kept, as well as dates and the origin of the Drill Cuttings and the final destination. Such records be made available to Commission staff upon request.

This Facility will not be considered a commercial recycling facility for the purpose of this pilot project. If the project is to continue after the October 27th 2017 date, a reevaluation will be required by the Pollution Abatement Department in order to determine if additional authorization may be granted by the Commission.

If operations at the Facility are terminated prior to October 27th, the Pollution Abatement Department shall be notified immediately.

If there are any questions, please feel free to contact me at 405-521-2240.

Sincerely,

Tim Baker


Director,
Oil and Gas Conservation Division

CC: Mike Moore

PERMIT PLAT

M & M Land Surveying, Inc.
Phone (580) 226-0446
520 E Street N.W.
Ardmore, OK 73401

API 049-25150

Company Name: **NEWFIELD EXPLORATION MID-CONTINENT INC.**

Lease Name: **N. HAYS 7H-5XR**

Section 5 Township 2 N Range 3 W , I.B.M., County of Garvin, State of Oklahoma
Elevation Good Location?

Original Location: 315'FNL - 780'FEL 1178' GROUND YES

Distance & Direction From Nearest Town: 9.1 miles West / Northwest of Elmore City.

SURFACE LOCATION

DATUM: NAD27

LAT: 34° 40' 48.48"N

LONG: 97° 31' 48.62"W

LAT: 34.680134°N

LONG: 97.530173°W

STATE PLANE

COORDINATES: (US
SURVEY FEET)

ZONE: SOUTH ZONE

Y (N): 3838563.28

X (E): 2141253

DATUM: NAD83

LAT: 34° 40' 48.77"N

LONG: 97° 31' 49.72"W

LAT: 34.680213°N

LONG: 97.530479°W

STATE PLANE

COORDINATES: (US
SURVEY FEET)

ZONE: SOUTH ZONE

Y (N): 490487.01

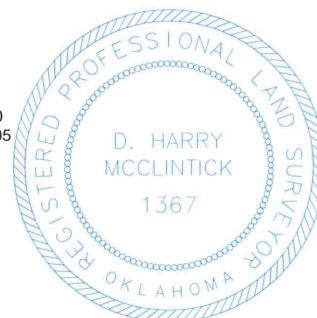
X (E): 2109657.66

DATA DERIVED FROM
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DATA.

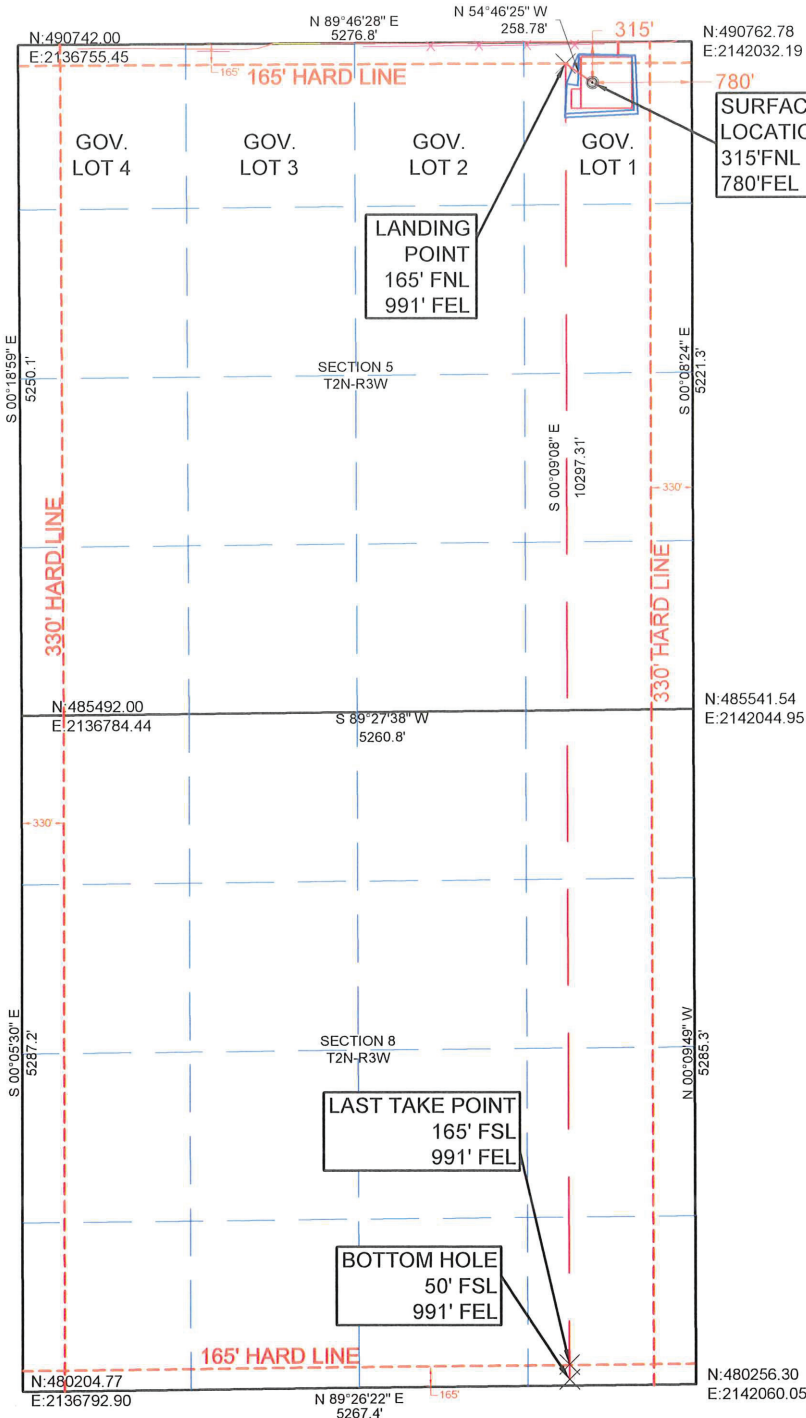
This location has been staked according to the best official survey records available to us. The metrical data shown hereon is for permitting the well location and the section location may or may not be field verified. Please review this plat and notify us immediately of any discrepancy.

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 and that said plat meets or exceeds the Oklahoma Minimum Technical Standards for the practice of land surveying as adopted by the Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors.



D. Harry McClintick
D. Harry McClintick
PLS. No.1367 CFEDS



SURVEY BY: M & M Land Surveying, Inc. ~ C.A. No. 3093 (LS)	
DRAWING BY: Bennett-Morris And Associates Land Surveying, P.C.	
© COPYRIGHT 2017 C.A. No. 5975 (LS) ~ Aaron L. Morris, RPLS	
PROJECT NUMBER: 17365	SITE VISIT: (Explanation and Date)
	STAKING DATE: 08/16/2017
SHEET: 6 OF 10	DRAWING DATE: 08/16/2017