

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: SANDRIDGE EXPLORATION AND )  
PRODUCTION, L.L.C. )

Cause CD No. 201403421

RELIEF SOUGHT: INCREASED DENSITY )

**627413**

LEGAL DESCRIPTION: SECTION 17, TOWNSHIP )  
27 NORTH, RANGE 11 )  
WEST, ALFALFA )  
COUNTY, OKLAHOMA )

Order No. \_\_\_\_\_

FINDINGS AND ORDER

1. Hearing Date and Place: 8:30 a.m., 23rd day of June, 2014, Jim Thorpe Building, Oklahoma City, Oklahoma.

2. Appearances: Roger A. Grove, Attorney for Applicant.

3. Companion Causes: None.

4. Notice and Jurisdiction: Notice has been given as required and the Commission has jurisdiction of the subject and the persons. That the Administrative Law Judge conducted an adjudicative inquiry into the sufficiency of the Applicant's search for the identity and whereabouts of those respondents whose addresses are unknown for service of process and could not be ascertained with due diligence. Upon the adjudicative inquiry into the factual issue of due diligence and an examination of the record and proof of publication, the Administrative Law Judge found the process to be proper. The Commission finds that the Applicant conducted a meaningful search of all reasonably available sources at hand to ascertain the whereabouts of those entitled to notice but who were served solely by publication.

5. Amendment: None.

6. Relief Requested. Applicant requests that it or some other owner be permitted to drill three increased density wells and produce same as shown in "Relief Granted" herein.

7. Reason Relief Should be Granted: The drilling of the increased density wells is necessary to effectively and efficiently drain a portion of the drilling and spacing unit and common source of supply, shown in Relief Granted herein, not being drained by the existing well. The Goeken 2711 1-17H Well has been drilled and completed in the Mississippian formation in Section 17, Township 27 North, Range 11 West, Alfalfa County, Oklahoma. Said well is the only well currently producing oil from the Mississippian common source of supply in this drilling and spacing unit. The Goeken #17-1 well was also drilled in Section 17 and produces from the Mississippian but only gas. The Applicant presented evidence that there was 206,900 barrels or original recoverable oil in place in the Mississippian underlying Section 17. The Goeken 2711 1-17H well will recover about 45,000 barrels leaving some 161,900 barrels which, at the rate that the Goeken 2711 1-17H well produces, will require at least three additional wells. Therefore the geological evidence and production history indicate that it would be in the interest of conservation

and the protection of correlative rights to drill three additional wells to said common source of supply underlying said Section 17 in said unit in order to bring about a more effective and efficient drainage of hydrocarbons in the Mississippian common source of supply underlying said Section 17. The Commission finds that based upon the evidence presented, the three additional wells requested by the Applicant are necessary to effectively and efficiently drain a portion of the reservoir covered by the drilling and spacing (proration) unit which cannot be effectively and efficiently drained by any existing well within the drilling and spacing (proration) unit. The Technical Department of the Commission reviewed the Application and approved same on May 28, 2014.

8. Relief Granted: The three requested increased density wells are authorized. The wells are permitted for the Mississippian common source of supply in:

Section 17, Township 27 North, Range 11 West, Alfalfa County, Oklahoma, a 640-acre unit as an exception to Order No. 621850.

9. Allowable: The evidence in the case reflects that the Mississippian common source of supply will be encountered at a depth of approximately 5,300 feet. If any of the additional wells authorized hereby is completed as a non-horizontal oil well in the Mississippian common source of supply or is reclassified as an oil well, such well shall be given an oil allowable equivalent to an oil allowable for a well drilled in an 80-acre drilling and spacing unit at the same depth at which such common source of supply is encountered in such well (as determined from the depth-acreage allowable chart or schedule in the Commission's General Rules). Furthermore, if any of the additional wells authorized hereby is completed as a horizontal oil well in the Mississippian common source of supply or is reclassified as an oil well, such horizontal well shall be given an oil allowable equivalent to an oil allowable for a horizontal well drilled in the largest size drilling and spacing unit which may be justified under Appendix A as supplemented by Appendix C, Table HD, of the Commission's General Rules, given the true vertical depth of such common source of supply as encountered in such horizontal well. If any of the additional wells authorized hereby is completed as a gas well then, as set forth in OAC Rule 165:10-3-28(h) said well allowable shall be computed in the same manner prescribed for a non-horizontal gas well in the same common source of supply and the allowable for a unit with multiple horizontal gas wells shall be the sum of the allowables for the separate horizontal gas well(s), provided that for the summation, the allowable for each horizontal gas well will be calculated as if it were the only well in the unit.

10. That the increased density wells, in accordance with the foregoing, are necessary to prevent waste and to protect correlative rights and SandRidge Exploration and Production, L.L.C. should be permitted to drill the wells as set out herein and IT IS SO ORDERED.

11. Time Limitation: This Order shall have a time limit of one year so that if the Operator does not commence operations for the drilling or other operations with respect to the commencement of any of the wells covered hereby within one year from the date of this Order, then said Order shall become null and void as to any such well not so timely commenced.

12. Effective Date: Date of execution of Order.

CORPORATION COMMISSION OF OKLAHOMA

Bob Anthony  
BOB ANTHONY, CHAIRMAN

Patrice Douglas  
PATRICE DOUGLAS, VICE CHAIRMAN

Dana L. Murphy  
DANA L. MURPHY, COMMISSIONER

DONE AND PERFORMED this 2 day of July, 2014.

BY ORDER OF THE COMMISSION:

Peggy Mitchell  
Peggy Mitchell, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and Order are the report and recommendations of the Administrative Law Judge.

APPROVED:

Mary Candler  
Mary Candler, Administrative  
Law Judge

6/25/14  
Date

W. A. McEly  
Reviewer

6/29/14  
Date

Approved as to Form:

R. A. Grove  
Roger A. Grove