API NUMBER: 017 24922 A

Horizontal Hole Oil & Gas

Amend reason: ADD LOCATION EXCEPTION

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

Approval Date: 07/14/2016
Expiration Date: 01/14/2017

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 13N Rge: 7W County: CANADIAN

SPOT LOCATION: SE NE NE NE

FEET FROM QUARTER: FROM **NORTH** FROM **EAST**

SECTION LINES: **350** **260**

Lease Name: FUNK **Well No: 1H-27** **Well will be 260 feet from nearest unit or lease boundary.**

Operator Name: NEWFIELD EXPLORATION MID-CON INC Telephone: 9188781290; 9188781 OTC/OCC Number: 20944 0

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

ROBERT A. FUNK & NEDRA R. FUNK
P.O. BOX 179
PIEDMONT OK 73078

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	9109	6		
2			7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201601651
201601652

Special Orders:

Total Depth: 14354 Ground Elevation: 1390 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 310

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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.

B. Solidification of pit contents.

F. Haul to Commercial soil farming facility: Sec. 6 Twn. 2N Rng. 4W Cnty. 137 Order No: 617361

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 27 Twp 13N Rge 7W County CANADIAN

Spot Location of End Point: S2 S2 SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 9092

Radius of Turn: 750

Direction: 185

Total Length: 4084

Measured Total Depth: 14354

True Vertical Depth: 9659

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

Notes:

Category	Description
DEEP SURFACE CASING	6/20/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
HYDRAULIC FRACTURING	6/20/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

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
MEMO	6/20/2016 - G71 - PIT 2 & 3 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, WBM & OBM CUTTINGS CAPTURED IN CONCRETE-LINED PIT, SOLIDIFIED, AND BURIED ON SITE; PIT 3 - OBM TO VENDOR
PENDING CD - 201601651	6/20/2016 - G75 - (E.O.)(640)(HOR) 27-13N-7W EXT 649976 MSSP, OTHERS COMPL. INT. NLT 660' FB (COEXIST SP. ORDER # 141058/145557 MSSP) NEWFIELD EXPLOR. MID-CONT. INC. REC 7-12-2016 (JOHNSON)
PENDING CD - 201601652	7/21/2016 - G75 - (I.O.) 27-13N-7W X201601651 MSSP, OTHERS SHL NCT 150 FNL, NCT 330 FEL ** COMPL. INT. NCT 165 FNL, NCT 165 FSL, NCT 660 FEL NO OP. NAMED REC 7-20-2016 (MCKEOWN) ** ITD HAS SHL AS 260 FEL; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

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.