

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

API NUMBER: 073 25372

Approval Date: 09/09/2016
Expiration Date: 03/09/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 17N Rge: 9W County: KINGFISHER
SPOT LOCATION: SW SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 200 235

Lease Name: LULA Well No: 1H-16X Well will be 200 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
THE WOODLANDS, TX 77380

J. R. BARTON & LULA BARTON
19917 N. 2810 RD.
KINGFISHER OK 73750

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

Name	Depth	Name	Depth
1 MISS'AN (EX CHESTER)	8692	6	
2 WOODFORD	9276	7	
3		8	
4		9	
5		10	

Spacing Orders: 649533
650058

Location Exception Orders: 650059
649534

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 19512

Ground Elevation: 1215

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 280

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

HORIZONTAL HOLE 1

Sec 16 Twp 17N Rge 9W County KINGFISHER

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 440

Depth of Deviation: 8567

Radius of Turn: 750

Direction: 2

Total Length: 9767

Measured Total Depth: 19512

True Vertical Depth: 9276

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

Notes:

Category	Description
DEEP SURFACE CASING	9/8/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING
EXCEPTION TO RULE - 649534	9/9/2016 - G75 - (I.O.) 21-17N-9W X165:10-3-28(C)(2)(B) MSNLC (LULA 1H-16X) MAY BE CLOSER THAN 600' FROM FLICKINGER 1-21 NEWFIELD EXPLOR. MID-CONT. INC. 2-5-2016

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.

Category	Description
HYDRAULIC FRACTURING	9/8/2016 - 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.
LOCATION EXCEPTION - 650059	9/9/2016 - G75 - (I.O.) 16 & 21-17N-9W X649533 MSNLC, WDFD SHL (21-17N-9W) NCT 150' FSL, NCT 330' FWL ** COMPL. INT. (21-17N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (16-17N-9W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL NEWFIELD EXPLOR. MID-CONT. INC. 2-22-2016 ** ITD HAS SHL AS 235' FWL 21-17N-9W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR
MEMO	9/9/2016 - 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
SPACING - 649533	9/9/2016 - G75 - (640)(HOR) 16 & 21-17N-9W EXT 645047 MSNLC, WDFD COMPL. INT. (MSNLC) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST SP. ORDER # 84210 MNNG, MSSSD 16-17N-9W & ORDER # 83337 MNNG, MSSSD 21-17N-9W)
SPACING - 650058	9/9/2016 - G75 - (I.O.) 16 & 21-17N-9W EST MULTIUNIT HORIZONTAL WELL X649533 MSNLC, WDFD (WDFD ASSOCIATED COMMON SOURCE OF SUPPLY TO MSNLC) 50% 16-17N-9W 50% 21-17N-9W NEWFIELD EXPLOR. MID-CONT. INC. 2-22-2016

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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.

NEWFIELD



Newfield Exploration Mid-Continent Inc.

24 Water Way, Suite 900
The Woodlands, TX 77380

Regulatory Department
PHONE: 281-674-2521
FAX: 346-224-7026

September 8, 2016

API 073-25372

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

RE: Lula 1H-16X
Sec 21-17N-9W
Kingfisher County, OK

Dear Sir or Madam

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. Chloride, 1750 mg/l;
 - iii. pH, 12.49 SU, plus a lower limit no less than 6;
 - iv. Arsenic, 5.00 mg/l;
 - v. Barium, 100 mg/l;

- vi. Cadmium, 1.00 mg/l;
- vii. Chromium, 5.00 mg/l;
- viii. Lead, 5.00 mg/l;
- ix. Mercury, 0.20 mg/l;
- x. Selenium, 1.00 mg/l;
- xi. Silver, 5.00 mg/l;
- xii. Zinc, 5.00 mg/l; and
- xiii. Benzene, 0.5 mg/l.

The permeability value specified is the same as that required for a standard soil liner, so that in effect the DuroSM 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.

Respectfully,

Newfield Exploration Mid-Continent Inc.



Evelyn P. Smith
Sr. Regulatory Specialists

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

API 073-25372

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

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.

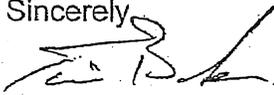
The TSD Manager will require operators to submit documentation in support of requests for variances. Variances to liner requirements for pits containing OBC are not effective until granted by the TSD Manager. If operators requesting variances to liner requirements for pits containing OBC fail to submit 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

Permit Plat

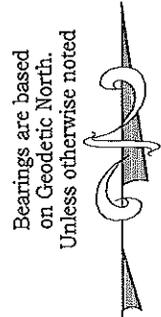
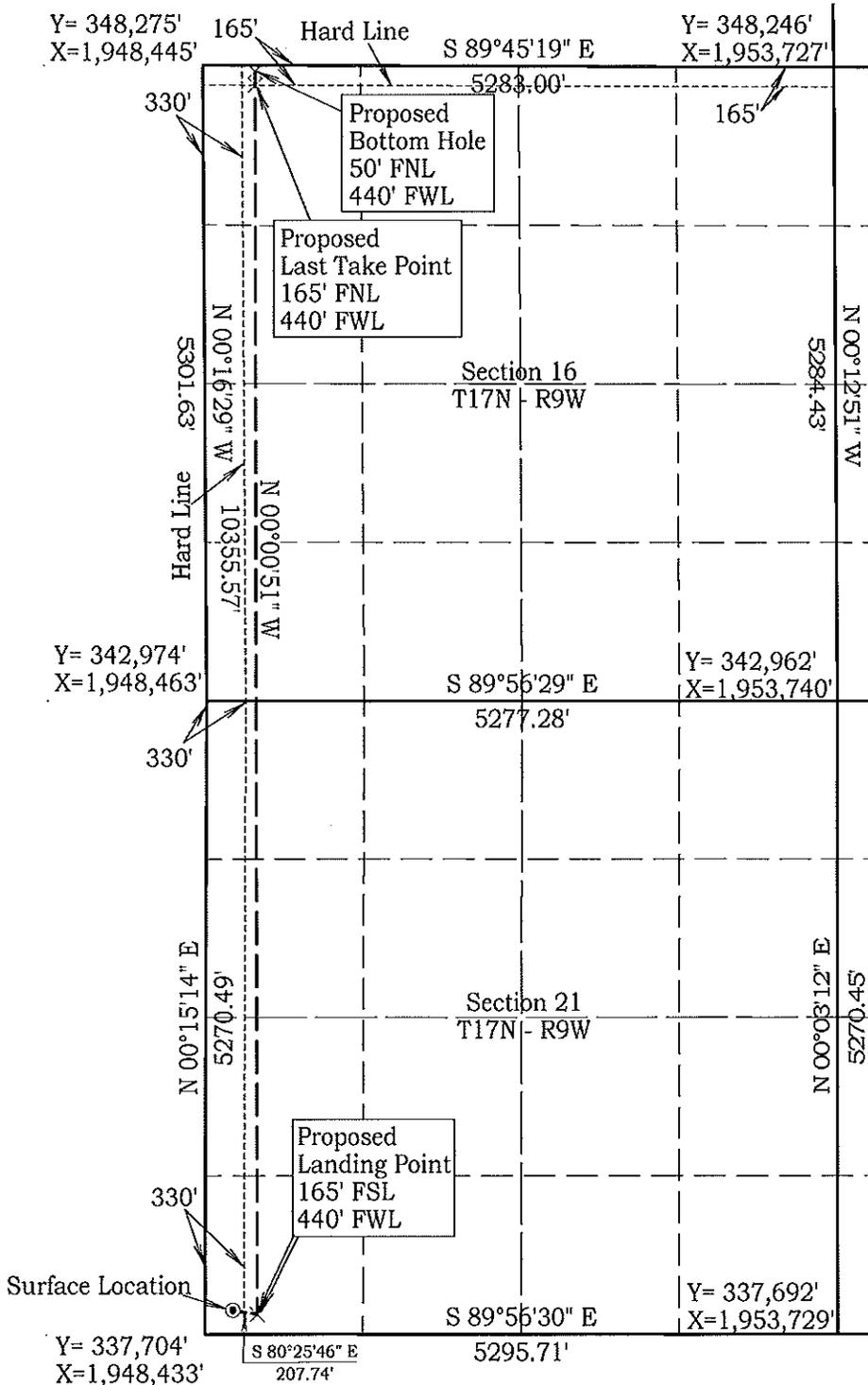
M & M Land Surveying, Inc.

API 073-25372

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: Lula #1H-16X
Section 21 Township 17 North Range 9 West County Kingfisher Oklahoma
Surface Location 200' FSL - 235' FWL Elevation 1215'

ALL SECTION CORNER COORDINATES ARE NAD 27



Scale: 1" = 1500'
Invoice #15362
Date 8/31/15

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

Location GPS NAD 27 Oklahoma North
Surface Location
Latitude: 35.92816°
Longitude: 98.17337°
Y= 337,903'
X= 1,948,670'

Location NAD 83
Surface Location
Latitude: 35.92820°
Longitude: 98.17371°
Y= 337,926'
X= 1,917,070'

D. Harry McClintick 9/8/16
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.

