

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

API NUMBER: 073 25413

Approval Date: 11/07/2016

Expiration Date: 05/07/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 31 Twp: 17N Rge: 9W

County: KINGFISHER

SPOT LOCATION: ☐ SE ☐ SE ☐ SW ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 250 1125

Lease Name: CHANNEL

Well No: 1H-30X

Well will be 250 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 77380-3197

ANGELA D. WILLARD  
5917 HILLTOP ROAD  
OKLAHOMA CITY OK 73121

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

	Name	Depth	Name	Depth
1	MISS'AN (EX CHESTER)	7753	6	
2	WOODFORD	8400	7	
3			8	
4			9	
5			10	

Spacing Orders: 647819

Location Exception Orders: 651823

Increased Density Orders:

652046

Pending CD Numbers: 201601093  
201601095  
201505479  
201601094

Special Orders:

Total Depth: 18933

Ground Elevation: 1210

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 340

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 50000 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 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

H. SEE MEMO

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

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 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 30 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: 8791

Radius of Turn: 715

Direction: 355

Total Length: 9019

Measured Total Depth: 18933

True Vertical Depth: 9030

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

Additional Surface Owner	Address	City, State, Zip
SHELIA C. NYE	321 SW 62ND	OKLAHOMA CITY, OK 73139
GARY L. PECK	1904 CEDAR WOOD TRAIL	BELLEVILLE, IL 62221

Notes:

Category	Description
DEEP SURFACE CASING	10/20/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING
EXCEPTION TO RULE - 652046	11/3/2016 - G60 - 30-17N-9W X165:10-3-28(C) MSNLC (CHANNEL 1H-30X) MAY BE CLOSER THAN 600' TO RENNER 2-31 NO OP NAMED REC. 11/1/16 (DUNN)
HYDRAULIC FRACTURING	10/20/2016 - 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 <a href="http://fracfocus.org/">HTTP://FRACFOCUS.ORG/</a> 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.
INTERMEDIATE CASING	10/20/2016 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

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

073 25413 CHANNEL 1H-30X

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.

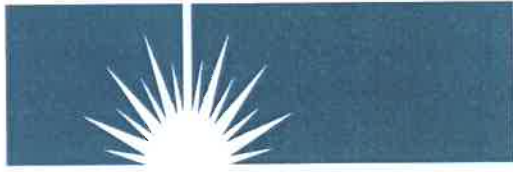
Category	Description
LOCATION EXCEPTION - 651823	10/20/2016 - G60 - (I.O.) 31-17N-9W X647819 MSNLC, WDFD COMPL. INT. NCT 0' FNL, NCT 150' FSL, 330' FWL CHESAPEAKE EXPLORATION LLC. *** 4-15-16  ***WILL BE CORRECTED TO NEWFIELD EXPLORATION AT HEARING FOR FINAL ORDER PER OPERATOR
MEMO	10/20/2016 - G71 - 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
PENDING CD - 201505479	11/2/2016 - G60 - (640)(HOR) 30-17N-9W EXT 643256/645301/645331 MSNLC, WDFD EST OTHER COMPL. INT. (MSNLC) COMPL. INT. (WDFD) (COEXIST WITH SP. ORDER 89104 MCSTR AND SP. ORDER 518552 WDFD) REC. 11-1-16 (DUNN)
PENDING CD - 201601093	10/20/2016 - G60 - (I.O.) 30 & 31 17N-9W EST MULTIUNIT HORIZONTAL WELL X647819 MSNLC, WDFD X201505479 MSNLC, WDFD 50% 30-17N-9W 50% 31-17N-9W CHESAPEAKE OPERATING LLC AND CHESAPEAKE EXPLORATION LLC. *** REC. 11-1-16 (DUNN)  ***WILL BE CORRECTED TO NEWFIELD EXPLORATION AT HEARING FOR FINAL ORDER PER OPERATOR
PENDING CD - 201601094	11/2/2016 - G60 - (I.O.) 30-17N-9W X647819 MSNLC, WDFD COMPL. INT. NCT 150' FNL, NCT 0' FSL, 330' FWL NO OP. NAMED REC. 11-1-16 (DUNN)
PENDING CD - 201601095	10/20/2016 - G60 - 30-17N-9W X165:10-3-28(C) MSNLC (CHANNEL 1H-30X) MAY BE CLOSER THAN 600' TO WHITNEY 1-30 AND EILEEN 1-30 NO OP NAMED REC. 11/1/16 (DUNN)
SPACING - 647819	10/20/2016 - G60 - (640)(HOR) 31-17N-9W EXT 639140/640131/644146 MSNLC EXT 639140/640131 WDFD COMPL. INT. (MSNLC) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL AND FSL, NLT 330' FEL OR FWL (COEXIST WITH SP. ORDER 96050 MNNG, MSSSD)

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.

# 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 28, 2016

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

RE: Channel 1H-30X  
Sec 31-17N-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, Duro<sup>SM</sup>. 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 Duro<sup>SM</sup> 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 Duro<sup>SM</sup> material is at least 70 pounds per square inch (psi), or
2. No liner is required if the Duro<sup>SM</sup> material meets all of the following conditions:
  - a. A permeability of not more than  $1 \times 10^{-6}$  cm/sec;
  - b. A UCS of at least 35 psi; and
  - c. Concentrations in a leachate of the Duro<sup>SM</sup> 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.

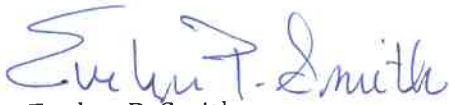
The permeability value specified is the same as that required for a standard soil liner, so that in effect the Duro<sup>SM</sup> material becomes its own liner but is even more effective, because the low permeability extends throughout the bulk of the Duro<sup>SM</sup> material.

Conformance with the specified criteria is determined on laboratory samples made with a representative sample of the waste to be subjected to the Duro<sup>SM</sup> 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

3507325413

Bob Anthony  
Commissioner

Jeff Cloud  
Commissioner

Dana Murphy  
Commissioner

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

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.

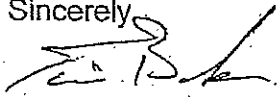
If the processes employed by your company and any other entity demonstrate through the submission of laboratory analyses, chain of custody forms and any other documentation required by the TSD Manager that the solidified OBC for which a variance from the pit liner requirements is sought meet acceptable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

SERVICE • ASSISTANCE • COMPLIANCE  
EXCELLENCE IS OUR STANDARD

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

Sincerely,



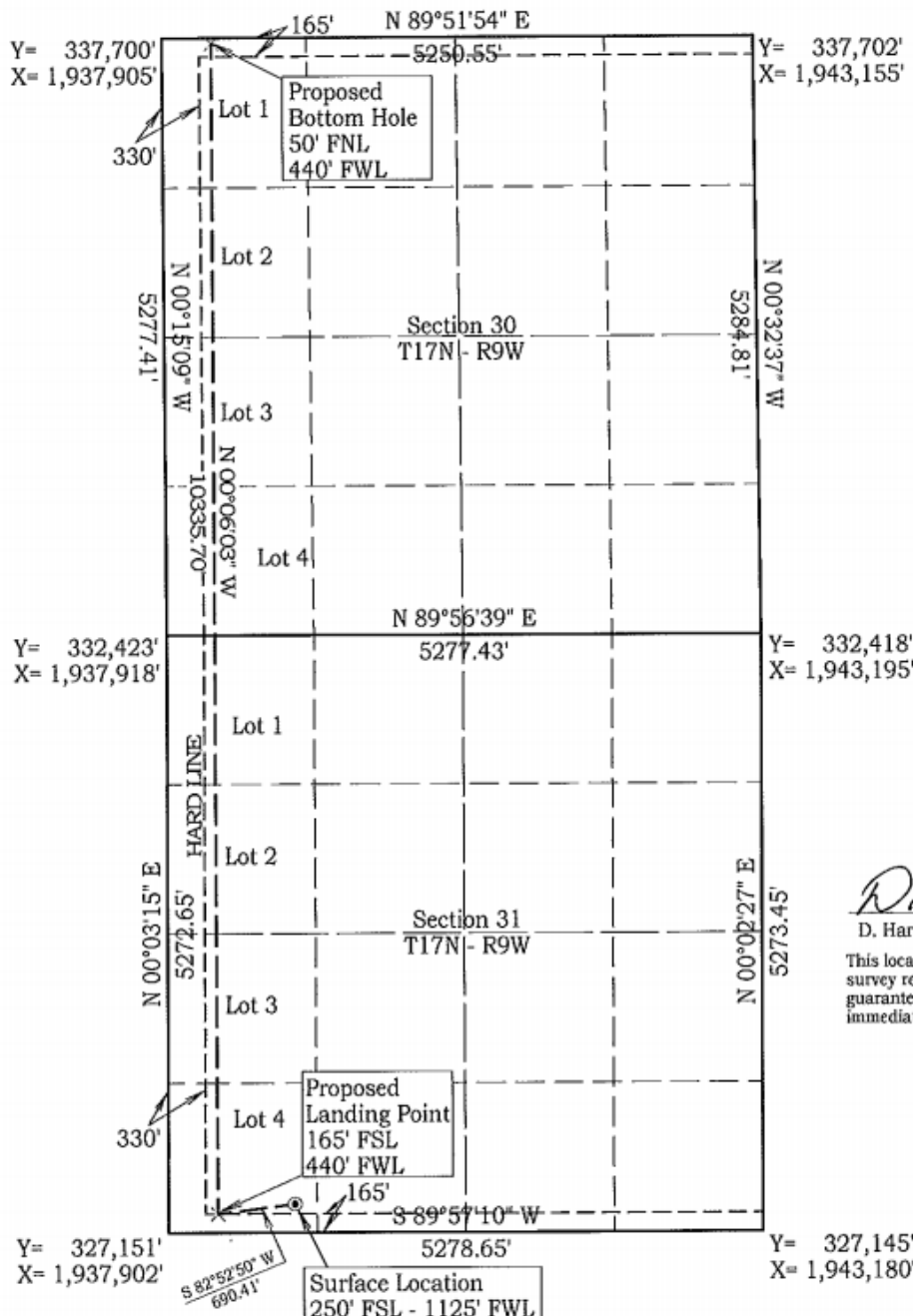
Tim Baker  
Manager, Pollution Abatement Department  
Oklahoma Corporation Commission

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

3507325413

**Permit Plat**  
**M & M Land Surveying, Inc.**  
520 "E" Street NW. Ardmore, OK 73401  
Office 580-226-0446 Mobile 580-221-4999

Company Name: Newfield Exploration Mid-Continent, Inc. Lease Name: Channel #1H-30X  
Section 31 Township 17 North Range 9 West County Kingfisher Oklahoma  
Surface Location 250' FSL - 1125' FWL Elevation 1210'  
**ALL SECTION CORNER COORDINATES ARE NAD 27**



Scale: 1" = 1500'  
Invoice #16294  
Date 8/17/16

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

**Location GPS NAD 27**  
Oklahoma North  
Surface Location  
Latitude: 35.89925°  
Longitude: 98.20586°  
Y= 327,400'  
X= 1,939,028'

**Location NAD 83**  
Surface Location  
Latitude: 35.89929°  
Longitude: 98.20620°  
Y= 327,423'  
X= 1,907,428'

*D. Harry McClintick* 9/29/16

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.

