API NUMBER: 011 23867

Horizontal Hole Oil & Gas

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

Approval Date: 10/11/2017
Expiration Date: 04/11/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 14N Rge: 12W County: BLAINE

SPOT LOCATION: NE NE NE NE FEET FROM QUARTER: FROM **NORTH** FROM **EAST**

SECTION LINES: **300** **250**

Lease Name: PETERS **Well No: 1412 1H-27** **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
4 WATERWAY SQ PL STE 100
SPRING, TX 77380-2764

GENE A. PETERS REVOCABLE TRUST
RT. 1, BOX 41
GEARY OK 73040

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	13148	6		
2	WOODFORD	13881	7		
3			8		
4			9		
5			10		

Spacing Orders: 656898 Location Exception Orders: Increased Density Orders:

Pending CD Numbers: 201706219 Special Orders:

Total Depth: 18551 Ground Elevation: 1719 **Surface Casing: 460** Depth to base of Treatable Water-Bearing FM: 210

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? Y

Wellhead Protection Area? Y

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.

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: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

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? Y

Wellhead Protection Area? Y

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 14N Rge 12W County BLAINE

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 380

Depth of Deviation: 12749

Radius of Turn: 477

Direction: 355

Total Length: 5053

Measured Total Depth: 18551

True Vertical Depth: 13881

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

Notes:

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
HYDRAULIC FRACTURING	10/3/2017 - G71 - OCC 165:10-3-10 REQUIRES: 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; 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, 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
INTERMEDIATE CASING	10/3/2017 - 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
MEMO	10/3/2017 - G71 - PIT 2 & 3 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST, WBM, 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
PENDING CD - 201706219	10/6/2017 - G75 - (E.O.) 27-14N-12W X656898 MSSP, WDFD COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL NO OP. NAMED REC 10-6-2017 (JOHNSON)
PUBLIC WATER SUPPLY WELLS	10/3/2017 - G71 - LARIAT CREEK CHRISTIAN CAMP, 2 PWS/WPA, NE4 35-14N-12W
SPACING - 656898	10/6/2017 - G75 - (640)(HOR) 27-14N-12W VAC 115876 CSTR, MPLM, OTHER EST MSSP, OTHER EXT 580407 WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL

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.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

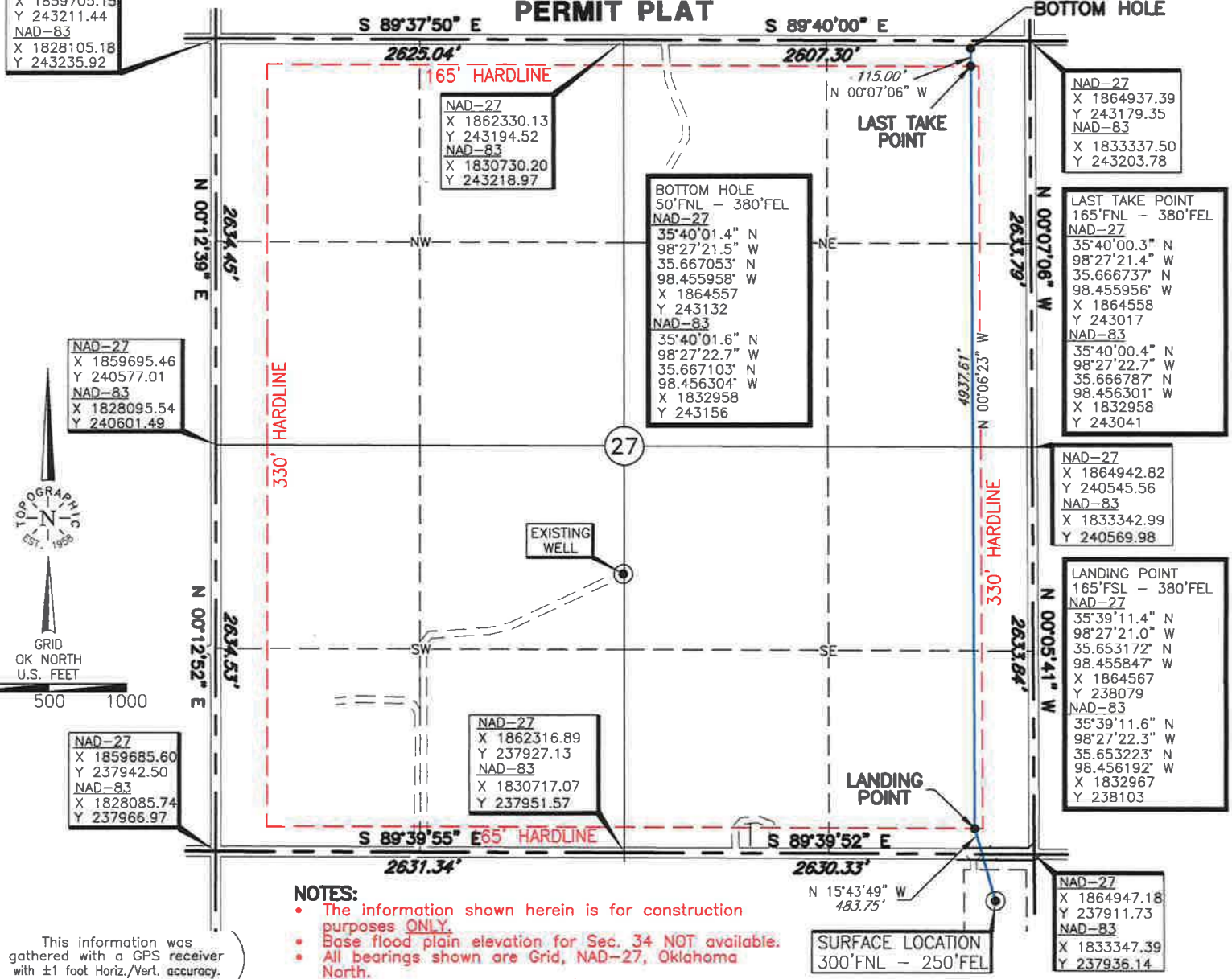
Certificate of Authorization No. 1293 LS

BLAINE County, Oklahoma

300'FNL – 250'FEL Section 34 Township 14N Range 12W I.M.

API 011-23867

PERMIT PLAT



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.

NOTES:

- The information shown herein is for construction purposes ONLY.
- Base flood plain elevation for Sec. 34 NOT available.
- All bearings shown are Grid, NAD-27, Oklahoma North.
- This is a proposed pad for (1) proposed well

ELEVATION:
1719' Gr. at Stake (NGVD29)

SURFACE LOCATION

DATUM: NAD-27
LAT: 35°39'06.8"N
LONG: 98°27'19.4"W
LAT: 35.651895° N
LONG: 98.455398° W
STATE PLANE COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1864698
Y: 237613

DATUM: NAD-83
LAT: 35°39'07.0"N
LONG: 98°27'20.7"W
LAT: 35.651945° N
LONG: 98.455743° W
STATE PLANE COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1833098
Y: 237638

Operator: NEWFIELD EXPLORATION MID-CONTINENT, INC.

Lease Name: PETERS 1412 Well No.: 1H-27

Topography & Vegetation Loc. fell in rolling sandy maze field, ±260' South of fence, ±248' West of fence Reference Stakes or Alternate Location

Good Drill Site? Yes Stakes Set None

Best Accessibility to Location From North off county road

Distance & Direction from Hwy Jct or Town From Jct. US Hwy. 281 and American Horse Lake Road, go ±7.2 mi. West on paved road to the NE Cor. of Sec. 34-T14N-R12W

Revision [X] B Date of Drawing: Sep. 29, 2017

Invoice # 281033 Date Staked: Sep. 29, 2017 AC

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell

Oklahoma Lic. No. 1433

LICENSED PROFESSIONAL LAND SURVEYOR
THOMAS L. HOWELL
1433
9-29-17
OKLAHOMA

NEWFIELD

Newfield Exploration Company
24 Waterway Avenue, Suite 900
The Woodlands, Texas 77380
PH 281-210-5100 | FAX 346-224-7026

July 27, 2017

Oklahoma Corporation Commission
Tim Baker, Director of the Oil and Gas
Conservation Division
2101 N. Lincoln Blvd
Oklahoma City, Oklahoma 73105

RE: Cause PD. No. 201700132, Backyard Energy Services, LLC, Oil Based Drill Cutting Treatment Pilot Project, State of Oklahoma

Dear Mr. Baker;

Please be advised that Newfield Exploration Mid-Con, Inc. (Newfield) understands and agrees it will be the sole operator under a Commission pilot project which will allow Backyard Energy Services, LLC to process Newfield's oil based drill cuttings using the process and requirements outlined in the amended application filed in Cause PD No. 201700132. The results of the processing will be a material that will be used in the construction of Newfield's drill sites.

Newfield further understands the initial pilot project will be for a period of ninety (90) days, or until such time as an order issues if the above referenced cause.

If there are further questions, please do not hesitate to contact Evelyn Smith at (281)674-2521.

Sincerely,

BOB ANTHONY
Commissioner

TODD HIETT
Commissioner

DANA MURPHY
Commissioner

API 011-23867

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

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

Gayland Darity
Grant Ellis
Brad Ice
Terry Grooms
Cheri Wheeler