

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

API NUMBER: 073 25801

Approval Date: 10/12/2017
Expiration Date: 04/12/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 21 Twp: 16N Rge: 8W County: KINGFISHER
SPOT LOCATION: SE SW SE SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 210 1810

Lease Name: MARGIE Well No: 1608 3H-28X Well will be 210 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

NORMAN CHLOUBER & JANET CHLOUBER
21930 N. 2780 RD.
KINGFISHER OK 73750

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	8576	6	
2 WOODFORD	9126	7	
3		8	
4		9	
5		10	

Spacing Orders: 635440

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201705318
201705319
201705311
201705313

Special Orders:

Total Depth: 18917 Ground Elevation: 1098 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 140

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 BED AQUIFER

Pit Location Formation: CEDAR HILLS

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: 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 BED AQUIFER

Pit Location Formation: CEDAR HILLS

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 BED AQUIFER

Pit Location Formation: CEDAR HILLS

HORIZONTAL HOLE 1

Sec 33 Twp 16N Rge 8W County KINGFISHER

Spot Location of End Point: SW SE SE SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 2253

Depth of Deviation: 7834

Radius of Turn: 477

Direction: 178

Total Length: 10334

Measured Total Depth: 18917

True Vertical Depth: 9126

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

Notes:

Category

Description

DEEP SURFACE CASING

9/27/2017 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

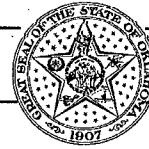
Category	Description
HYDRAULIC FRACTURING	<p>9/27/2017 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;</p> <p>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,</p> <p>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</p>
INTERMEDIATE CASING	<p>9/27/2017 - 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</p>
MEMO	<p>9/27/2017 - 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</p>
PENDING CD - 201705311	<p>10/9/2017 - G75 - 28-16N-8W X635440 MSSP 5 WELLS NO OP. NAMED REC 9-5-2017 (JOHNSON)</p>
PENDING CD - 201705313	<p>10/9/2017 - G75 - 33-16N-8W X635440 MSSP 5 WELLS NO OP. NAMED REC 9-5-2017 (JOHNSON)</p>
PENDING CD - 201705318	<p>10/9/2017 - G75 - (I.O.) 28 & 33-16N-8W EST MULTIUNIT HORIZONTAL WELL X635440 MSSP, WDFD (WDFD ASSOCIATED COMMON SOURCE OF SUPPLY TO MSSP) 50% 28-16N-8W 50% 33-16N-8W NO OP. NAMED REC 9-5-2017 (JOHNSON)</p>
PENDING CD - 201705319	<p>10/9/2017 - G75 - (I.O.) X635440 MSSP, WDFD SHL (21-16N-8W) SW4 COMPL. INT. (28-16N-8W) NCT 165' FNL, NCT 0' FSL, NCT 1320' FWL COMPL. INT. (33-16N-8W) NCT 0' FNL, NCT 165' FSL, NCT 1320' FWL NO OP. NAMED REC 9-5-2017 (JOHNSON)</p>
SPACING - 635440	<p>10/9/2017 - G75 - (640)(HOR) 28 & 33-16N-8W VAC OTHER VAC 83896 MNNG, MISS NW4, E2 NE4, S2 28-16N-8W VAC 207512 MNNG, MISS E2 NW4, W2 NE4, W2 SE4 33-16N-8W VAC 567481 MNNG, MISS SW4 33-16N-8W EXT 626748 MSSP, WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL (COEXIST SP. ORDER # 83896 MNNG, MISS W2 NE4 28-16N-8W & ORDER # 207512 MNNG, MISS E2 NE4, E2 SE4, W2 NW4 33-16N-8W)</p>

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.

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

API 073-25801

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

A handwritten signature in black ink, appearing to read "Tim Baker".

Director,
Oil and Gas Conservation Division

CC: Mike Moore

Gayland Darity
Grant Ellis
Brad Ice
Terry Grooms
Cheri Wheeler

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,

A handwritten signature in black ink, appearing to read "Matt Cook", with a horizontal line extending to the right.

PERMIT PLAT

M & M Land Surveying, Inc.
 Phone (580) 226-0446
 520 E Street N.W.
 Ardmore, OK 73401

API 073-25801

N:311553.25
 E:1980504.84

Company Name: **NEWFIELD EXPLORATION MID-CONTINENT INC.**

Lease Name: **MARGIE 1608 3H-28X**

Section 21 Township 16 N Range 8 W, I.B.M., County of Kingfisher, State of Oklahoma

Original Location: 210'FSL - 1810'FWL
 Distance & Direction From Nearest Town: 7.0 miles West of Kingfisher.

Elevation 1098' GROUND
 Good Location? YES

N:311564.85
 E:1985754.29

SURFACE LOCATION
 DATUM: NAD27
 LAT: 35° 50' 31.05"N
 LONG: 98° 03' 34.42"W
 STATE PLANE
 COORDINATES: (US SURVEY FEET)
 ZONE: NORTH ZONE
 Y (N): 306484.38
 X (E): 1982346.13

DATUM: NAD83
 LAT: 35° 50' 31.20"N
 LONG: 98° 03' 35.63"W
 STATE PLANE
 COORDINATES: (US SURVEY FEET)
 ZONE: NORTH ZONE
 Y (N): 306508.11
 X (E): 1950747.19

DATA DERIVED FROM
 G.P.S. WITH O.P.U.S.
 DATA.

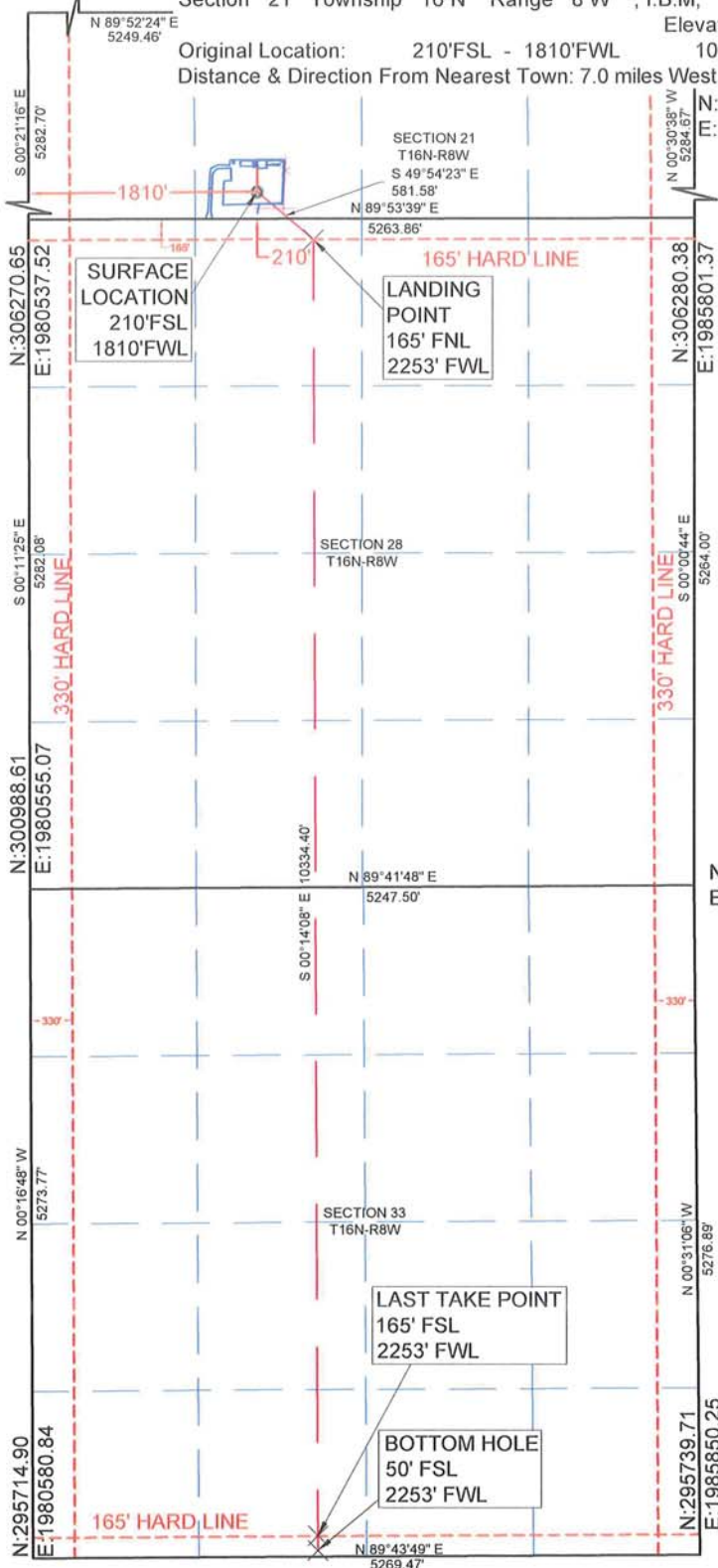
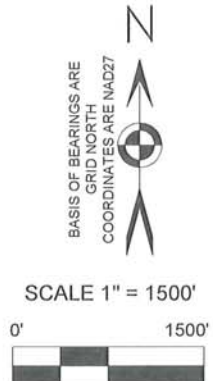
This location has been staked according to the best official survey records available to us. The metrical data shown hereon is for permitting the well location and the section location may or may not be field verified. Please review this plat and notify us immediately of any discrepancy.

CERTIFICATE:

I D. Harry McClintick a Registered Land Surveyor in the State Of Oklahoma, do hereby certify that the above described Well Location was surveyed and staked on the ground as shown and that said plat meets or exceeds the Oklahoma Minimum Technical Standards for the practice of land surveying as adopted by the Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors.



D. Harry McClintick
 D. Harry McClintick
 PLS. No.1367 CFEDS



SURVEY BY: M & M Land Surveying, Inc. ~ C.A. No. 3093 (LS)	
DRAWING BY: Bennett-Morris And Associates Land Surveying, P.C.	
© COPYRIGHT 2017 C.A. No. 5975 (LS) ~ Aaron L. Morris, RPLS	
PROJECT NUMBER:	SITE VISIT: (Explanation and Date)
17295	STAKING DATE: 07/11/2017
SHEET: 6 OF 10	DRAWING DATE: 07/26/2017