API NUMBER: 017 25188

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: 02/27/2018
Expiration Date: 08/27/2018

PERMIT TO DRILL

WELL LOCATION: Sec: 12 Twp: 14N Rge: 7W County: CANADIAN

SPOT LOCATION: NE NW NW NE FEET FROM QUARTER: FROM **NORTH** FROM **EAST**
SECTION LINES: **240** **2100**

Lease Name: OKARCHE **Well No: 1407 4H-12X** **Well will be 240 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 77380-2764

PAUL C. FRANCEL, TRUSTEE
3404 GREGORY RD.
PIEDMONT OK 73078

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	8041	6		
2	WOODFORD	8514	7		
3			8		
4			9		
5			10		

Spacing Orders: 610951

Location Exception Orders:

Increased Density Orders: 672938
672939

Pending CD Numbers: 201708195
201708196
201708205
201801694

Special Orders:

Total Depth: 18973 Ground Elevation: 1168 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 160

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** located in a Hydrologically Sensitive Area.
Category of Pit: 4
Liner not required for Category: 4
Pit Location is BED AQUIFER
Pit Location Formation: DUNCAN

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

G. Haul to recycling/re-use facility: Sec. 22 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741
H. SEE MEMO

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

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: DUNCAN

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: DUNCAN

HORIZONTAL HOLE 1

Sec 13 Twp 14N Rge 7W County CANADIAN

Spot Location of End Point: SE SE SE SW

Feet From: SOUTH 1/4 Section Line: 50

Feet From: WEST 1/4 Section Line: 2610

Depth of Deviation: 7427

Radius of Turn: 750

Direction: 185

Total Length: 10368

Measured Total Depth: 18973

True Vertical Depth: 8514

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

Notes:

Category	Description
DEEP SURFACE CASING	2/8/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

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	2/8/2018 - 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
INCREASED DENSITY - 672938	2/9/2018 - G75 - (I.O.) 12-14N-7W X610951 MSSP, OTHER 2 WELLS NEWFIELD EXPLOR. MID-CONT. INC. 1-31-2018
INCREASED DENSITY - 672939	2/9/2018 - G75 - (I.O.) 13-14N-7W X610951 MSSP, OTHER 2 WELLS NEWFIELD EXPLOR. MID-CONT. INC. 1-31-2018
MEMO	2/8/2018 - 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 FACILITY (ORDER # 647741, 22-16N-9W, KINGFISHER CO.); PIT 3 - OBM TO VENDOR
PENDING CD - 201708195	2/9/2018 - G75 - (I.O.) 12 & 13-14N-7W EST MULTIUNIT HORIZONTAL WELL X610951 MSSP, WDFD (WDFD ADJACENT COMMON SOURCE OF SUPPLY TO MSSP) 50% 12-14N-7W 50% 13-14N-7W NO OP. NAMED REC 1-5-2018 (DUNN)
PENDING CD - 201708196	2/9/2018 - G75 - (I.O.) 12 & 13-14N-7W X610951 MSSP, WDFD COMPL. INT. (12-14N-7W) NCT 165' FNL, NCT 0' FSL, NCT 2310' FWL COMPL. INT. (13-14N-7W) NCT 0' FNL, NCT 165' FSL, NCT 2310' FWL NO OP. NAMED REC 1-5-2018 (DUNN)
PENDING CD - 201708205	2/9/2018 - G75 - (I.O.) 12 & 13-14N-7W X165:10-3-28(C)(2)(B) MSSP, WDFD (OKARCHE 1407 4H-12X) MAY BY CLOSER THAN 600' TO EXISTING/PROPOSED WELL NEWFIELD EXPLOR. MID-CONT. INC. REC 1-5-2018 (DUNN)
PENDING CD - 201801694	2/27/2018 - G75 - (640)(HOR) 12 & 13-14N-7W AMD/MOD 610951 TO: VAC OTHER VAC 127148 MSSLM NW4, SE4 12-14N-7W VAC 122201 MISS N2, SW4 13-14N-7W VAC 149960 MCSTR N2, SW4 13-14N-7W COEXIST SP. ORDER # 127148 MSSLM NE4 12-14N-7W; ORDER # 122201 MISS & ORDER # 149960 MCSTR SE4 13-14N-7W) HEARING 3-26-2018 (OK'D PER MCCOY)
SPACING - 610951	2/9/2018 - G75 - (640)(HOR) 12 & 13-14N-7W VAC OTHER VAC 127148 MSSLM N2, SE4 12-14N-7W ## VAC 286856 MCSTR S2, NE4 12-14N-7W VAC 122201 MISS 13-14N-7W ** VAC 149960 MCSTR 13-14N-7W ** EXT 604466 MSSP, WDFD, OTHER COMPL. INT. (MSSP) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (SUPERSEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS; COEXIST SP. ORDER # 127148 MSSLM SW4 12-14N-7W) ## HILL 12-7 (API 017-22904 COMPL. MSSLM NE4); CORRECTED BY CD # 201801694 ** SCOTT 13-1 (API 017-21188 COMPL. MCSTR & MISS SE4); CORRECTED BY CD # 201801694

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.

PERMIT PLAT

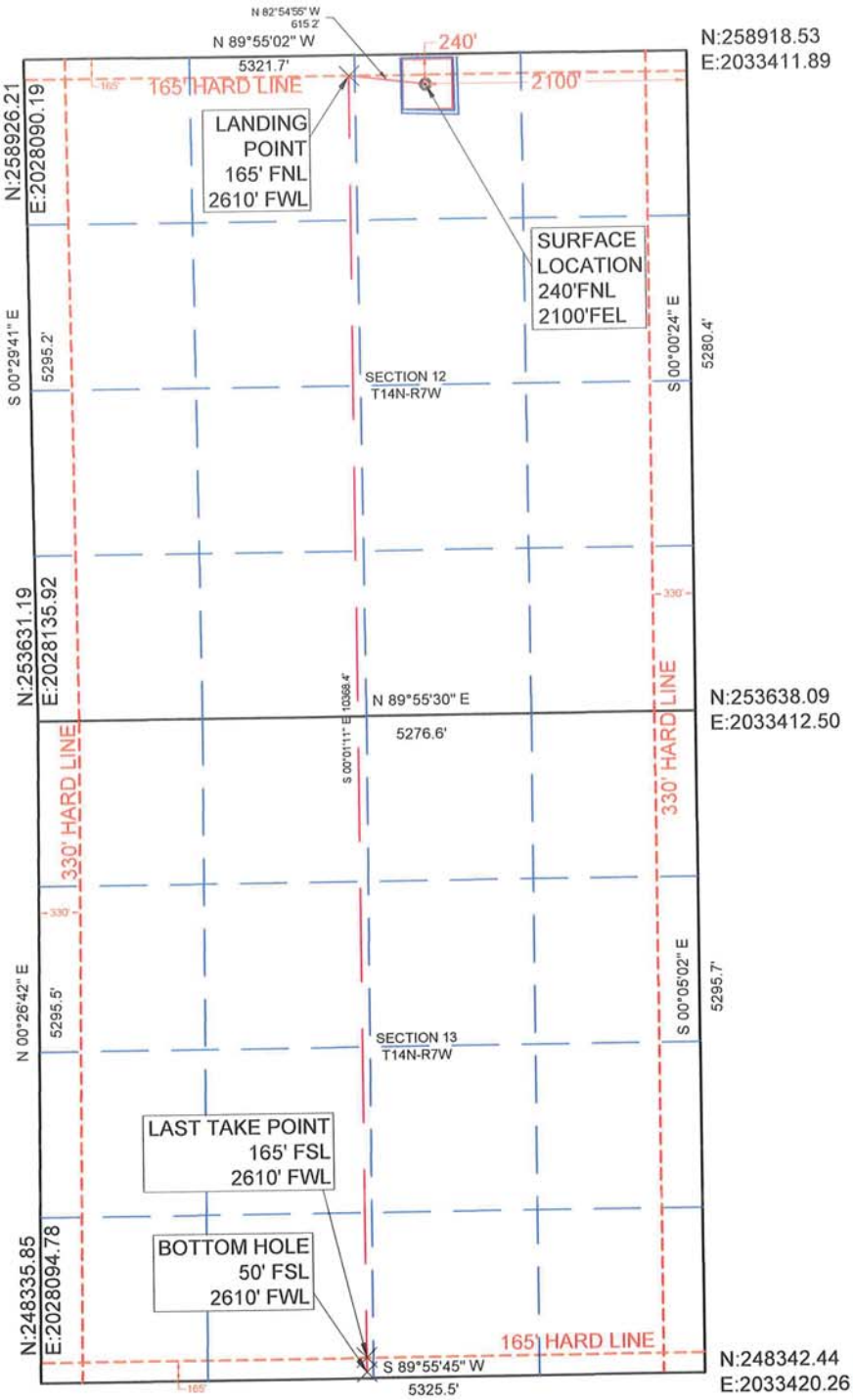
M & M Land Surveying, Inc.
Phone (580) 226-0446
520 E Street N.W.
Ardmore, OK 73401

API 017-25188

Company Name: **NEWFIELD EXPLORATION MID-CONTINENT INC.**
Lease Name: OKARCHE 1407 4H-12X
Section 12 Township 14 N Range 7 W , I.B.M, County of Canadian, State of Oklahoma

Original Location:	240'FNL - 2100'FEL	Elevation 1168' GROUND	Good Location? YES

Distance & Direction From Nearest Town: 4.7 miles East of Okarche.



SURFACE LOCATION
DATUM: NAD27
LAT: 35° 42' 38.16"N
LONG: 97° 53' 40.32"W
LAT: 35.710601°N
LONG: 97.894533°W
STATE PLANE COORDINATES: (US SURVEY FEET)
ZONE: NORTH ZONE
Y (N): 258681.48
X (E): 2031312.05

DATUM: NAD83
LAT: 35° 42' 38.33"N
LONG: 97° 53' 41.50"W
LAT: 35.710648°N
LONG: 97.894861°W
STATE PLANE COORDINATES: (US SURVEY FEET)
ZONE: NORTH ZONE
Y (N): 258705.47
X (E): 1999713.95

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

N

BASIS OF BEARINGS ARE GRID NORTH COORDINATES ARE NAD27

SCALE 1" = 1500'

0' 1500'

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.

REGISTERED PROFESSIONAL LAND SURVEYOR
D. HARRY MCCLINTICK
1367
OKLAHOMA

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)
17490	STAKING DATE: 11/16/2017
SHEET: 6 OF 10	DRAWING DATE: 12/06/2017

BOB ANTHONY
Commissioner

TODD HIETT
Commissioner

DANA MURPHY
Commissioner

OKLAHOMA
CORPORATION COMMISSION
P.O. BOX 52000
OKLAHOMA CITY, OKLAHOMA 73152-2000

253 Jim Thorpe Building
Telephone: (405) 521-2240
FAX: (405) 521-3099
www.occeweb.com

OIL & GAS CONSERVATION DIVISION

Tim Baker, Director

January 30, 2018

API 017-25188

Backyard Energy Services
Conor O'Reily
1601 NW Expressway
Suite 1450
Oklahoma City, OK 73118

Re: Backyard Energy Services, Oil Based Drill Cuttings Treatment Process
Pilot Project

Dear Mr. O'Reilly:

I am in receipt of the letter from Newfield Exploration Company in which they desire to continue the pilot project using your drilling solids treatment process for drill pad sites. This letter is to authorize the treatment process for an additional 90 days until April 30th or until a final order issues in PD.201700132.

All terms and conditions set forth in the November 3rd, 2017 letter will remain in affect.

If you have any questions, please feel free to contact me.

Sincerely,

Tim Baker
Director, OGCD

C: Mike Moore, Terri Grooms, Brad Ice, Gayland Darity, Grant Ellis, Susan Conrad, Cheri Wheeler

NEWFIELD

Newfield Exploration Company
24 Waterway Avenue | Suite 900
The Woodlands, Texas 77380

January 25, 2018

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 was for a period of ninety (90) days and request an extension 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,

Matt Cooley,
Drilling Manager