

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

API NUMBER: 133 25266

Approval Date: 11/30/2017

Expiration Date: 05/30/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 8N Rge: 6E

County: SEMINOLE

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1485 330

Lease Name: JENNY

Well No: 1-25

Well will be 330 feet from nearest unit or lease boundary.

Operator Name: CIRCLE 9 RESOURCES LLC

Telephone: 4055296577; 4055296

OTC/OCC Number: 23209 0

CIRCLE 9 RESOURCES LLC  
PO BOX 249  
OKLAHOMA CITY, OK 73101-0249

FAYE JEANNETTE CALDERON  
96 CADWELL ROAD  
OPELIKA AL 36804

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

	Name	Depth		Name	Depth
1	CALVIN	2200	6	VIOLA	3950
2	RED FORK	2780	7	SIMPSON DOLOMITE	4020
3	CROMWELL	3200	8	1ST WILCOX	4060
4	MISSISSIPPIAN	3600	9	MARSHALL DOLO	4130
5	WOODFORD	3750	10	2ND WILCOX	4160

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201707107  
201707109  
201707250

Special Orders:

Total Depth: 4360

Ground Elevation: 0

**Surface Casing: 1090**

Depth to base of Treatable Water-Bearing FM: 1040

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

**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: 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? 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33338  
H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

**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	<p>11/15/2017 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
PENDING CD - 201707107	<p>11/30/2017 - G57 - (160) SW4 25-8N-6E EST CLVN, RDFK, CMWL, MSSP, WDFD, VIOL, SMPSD, WLCX1, MRSDO, WLCX2 REC 11-13-2017 (MINMIER)</p>
PENDING CD - 201707109	<p>11/30/2017 - G57 - (I.O.) SW4 25-8N-6E X201707107 CLVN, RDFK, CMWL, MSSP, WDFD, VIOL, SMPSD, WLCX1, MRSDO, WLCX2 NCT 1485' FSL, NCT 330' FWL CIRCLE 9 RESOURCES, LLC REC 11-20-2017 (MINMIER)</p>
PENDING CD - 201707250	<p>11/30/2017 - G57 - SW4 25-8N-6E X201707107 WLCX1, WLCX2 1 WELL CIRCLE 9 RESOURCES, LLC REC 11-20-2017 (MINMIER)</p>

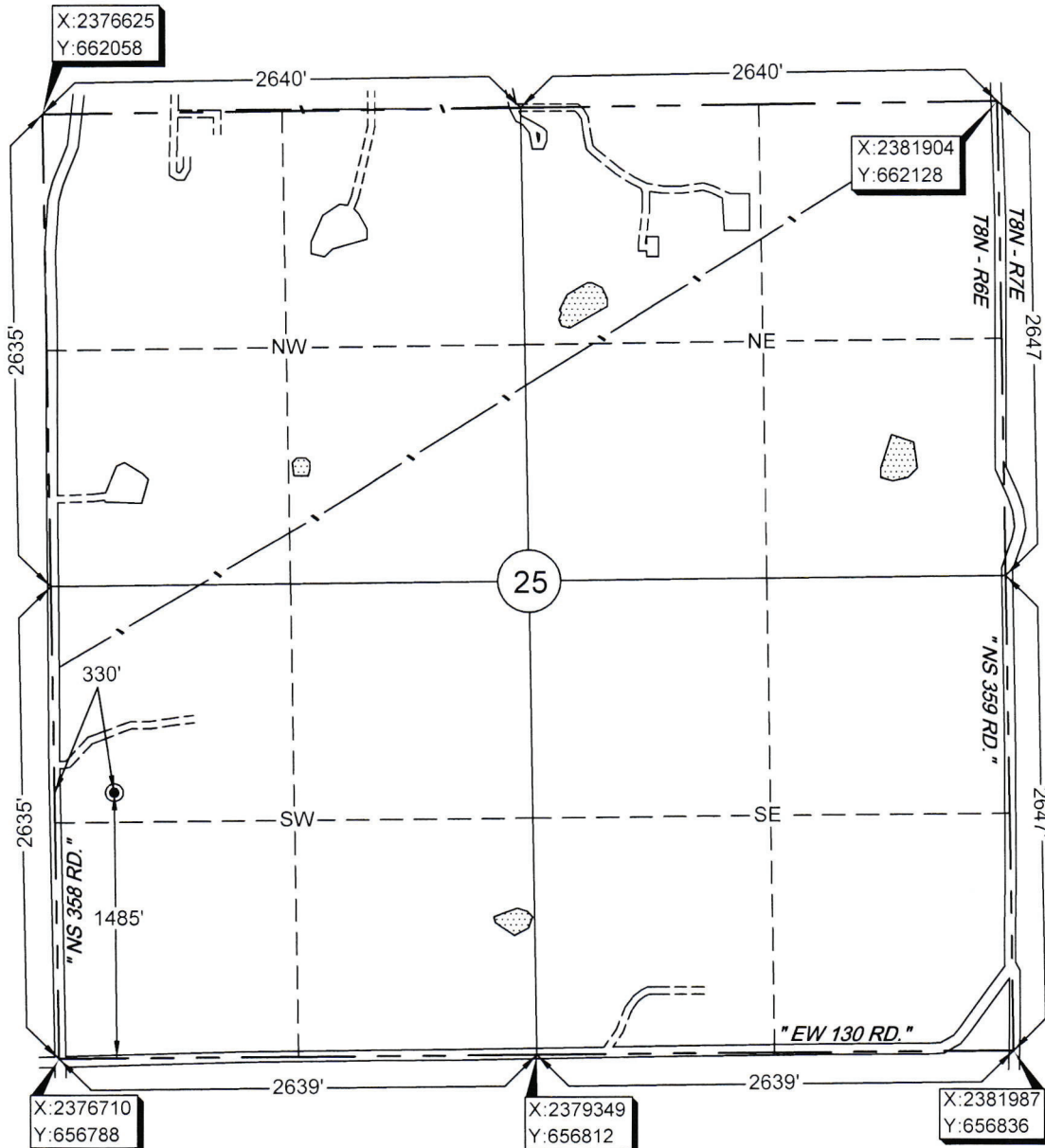
API: 133 25266



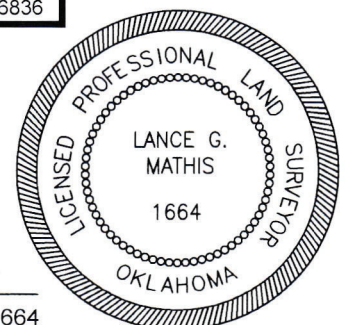
Surface Hole Loc.:  
Lat: 35°08'04.32"N  
Lon: 96°38'01.34"W  
X: 2377016  
Y: 658276

Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.

Quarter Section distances may be assumed from a Government Survey, Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey. NOTE: X and Y data shown herein for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.



OK LPLS 1664



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**OIL & GAS CONSERVATION DIVISION**



**Tim Baker, Director**

November 3, 2017

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

Re: Backyard Energy Services, Oil Based Drill Cuttings Treatment Process  
Approval of 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 P.D. No. 201700132, requesting statewide authority.

It's our understanding that Backyard has an agreement with Newfield Exploration Co. to furnish oil based drill cuttings (Drill Cuttings) for processing into a material that will be used for construction of the companies' drill sites. As a result of our review and technical meetings with Backyard representatives, you will have the ability to recycle/process the operator's drill cuttings for use for construction of the drill sites, until January 31<sup>st</sup>, 2018, 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 drill cuttings 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 will 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 January 31<sup>st</sup>, 2018, a reevaluation may 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 January 31<sup>st</sup>, 2018, the Pollution Abatement department shall be notified immediately.

If there are any questions, please feel free to contact me at 405-521-2240.

Sincerely,

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

Tim Baker  
Director, OGCD

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