

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

API NUMBER: 051 24219

Approval Date: 11/13/2017
Expiration Date: 05/13/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 08 Twp: 8N Rge: 5W County: GRADY
SPOT LOCATION: NE SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 400 740

Lease Name: PICKARD Well No: 1H-17X Well will be 400 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

SUE C. DENNIS
15437 WESTERN AVENUE
LINDSAY OK 73052

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	10167	6	
2	WOODFORD	11065	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201705374
201705375
201705373

Special Orders:

Total Depth: 22168 Ground Elevation: 1356 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 400

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 not located in a Hydrologically Sensitive Area.

Category of Pit: 4

Liner not required for Category: 4

Pit Location is NON HSA

Pit Location Formation: CHICKASHA

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 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

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 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 20 Twp 8N Rge 5W County GRADY

Spot Location of End Point: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 50

Feet From: EAST 1/4 Section Line: 859

Depth of Deviation: 10500

Radius of Turn: 842

Direction: 182

Total Length: 10345

Measured Total Depth: 22168

True Vertical Depth: 11869

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

Additional Surface Owner	Address	City, State, Zip
RUSSELL L. SPIES	136 7TH AVENUE	KIRKLAND, WA 98033

Notes:

Category	Description
DEEP SURFACE CASING	11/1/2017 - 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

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>11/1/2017 - 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>
MEMO	<p>11/1/2017 - G71 - PIT 2 & 3 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST, 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 - 201605374	<p>11/13/2017 - G60 - (I.O.) 17 & 20-8N-5W EST MULTIUNIT HORIZONTAL WELL X201705373 MSSP, WDFD (MSSP IS AN ASSOCIATED COMMON SOURCE OF SUPPLY TO WDFD) 50% 20-8N-5W 50% 17-8N-5W NO OP. NAMED REC. 9/5/17 (JOHNSON)</p>
PENDING CD - 201705373	<p>11/13/2017 - G60 - (640)(HOR) S2 8 & 17 & 20-8N-5W VAC 546714 S2 8 AND N2 17-8N-5W MSSP, WDFD, OTHER VAC 546714 S2 17-8N-5W MSSP, WDFD, OTHER VAC 348298 MSSP, OTHER EXT 666661 MSSP, WDFD COMPL. INT. (MSSP) NCT 660' FB COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL REC. 9/5/17 (JOHNSON)</p>
PENDING CD - 201705375	<p>11/13/2017 - G60 - (I.O.) 17 & 20-8N-5W X201705373 MSSP, WDFD SHL SE4 20-8N-5W *** COMPL. INT. (20-8N-5W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (17-8N-5W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL NO OP. NAMED REC. 9/5/17 (JOHNSON)</p> <p>***SHL WILL BE CORRECT AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR</p>

3505124219

PERMIT PLAT

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

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

Lease Name: PICKARD 1H-17X
 Section 8 Township 8 N Range 5 W ,I.B.M,
 County of Grady, State of Oklahoma
 Good Location? YES

Original Location: 400'FSL - 740'FEL Elevation 1356' GROUND
 Distance & Direction From Nearest Town: 5.5 miles Northwest of Blanchard.

SURFACE LOCATION

DATUM: NAD27
 LAT: 35° 10' 32.94"N
 LONG: 97° 44' 35.86"W
 LAT: 35.175818°N
 LONG: 97.743295°W
 STATE PLANE
 COORDINATES: (US
 SURVEY FEET)
 ZONE: SOUTH ZONE
 Y (N): 670616.2
 X (E): 2076719.53

DATUM: NAD83
 LAT: 35° 10' 33.18"N
 LONG: 97° 44' 37.01"W
 LAT: 35.175883°N
 LONG: 97.743614°W
 STATE PLANE
 COORDINATES: (US
 SURVEY FEET)
 ZONE: SOUTH ZONE
 Y (N): 670658.67
 X (E): 2045122.44

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.

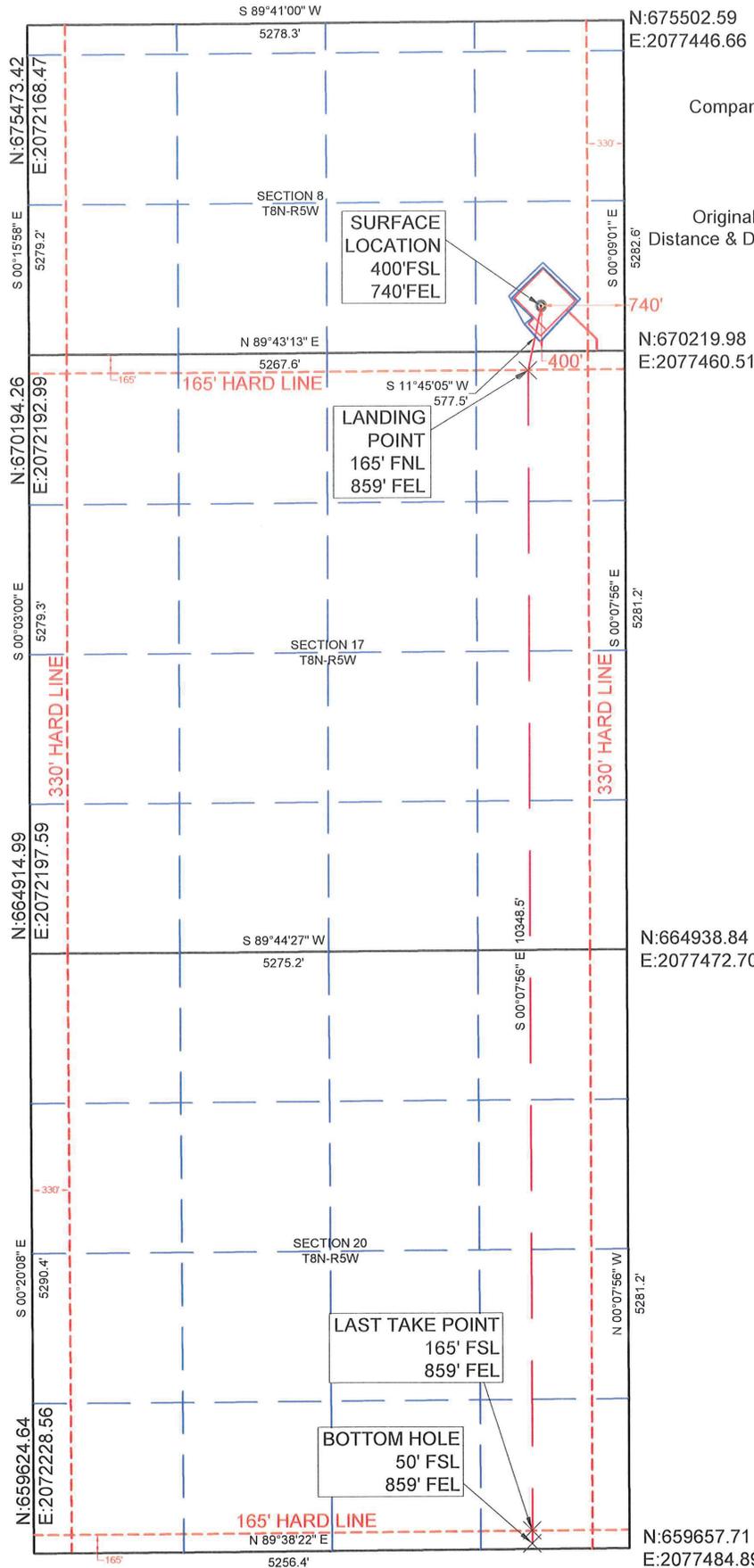
CERTIFICATE:

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.

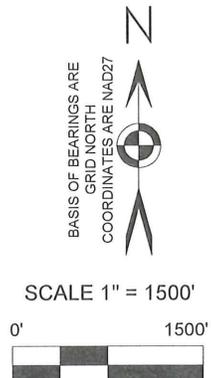


D. Harry McClintick 9/15/17

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 2016 C.A. No. 5975 (LS) ~ Aaron L. Morris, RPLS	
PROJECT NUMBER: 17369	SITE VISIT: (Explanation and Date)
SHEET: 6 OF 10	STAKING DATE: 08/28/2017
	DRAWING DATE: 09/12/2017



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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

November 3, 2017

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
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 31st, 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 31st, 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 31st, 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 black ink, appearing to read "Tim Baker".

Tim Baker
Director, OGCD

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

3505124219



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

October 19, 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 Cuttings
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 Cooley".

Matt Cooley
Drilling Manager