

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

API NUMBER: 011 23888

Approval Date: 11/28/2017

Expiration Date: 05/28/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 16N Rge: 13W

County: BLAINE

SPOT LOCATION: ☐ SE ☐ SW ☐ SE ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 240 855

Lease Name: LOIS

Well No: 1613 1H-35

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  
4 WATERWAY SQ PL STE 100  
SPRING, TX 77380-2764

LOIS F. LITSCH REVOCABLE LIVING TRUST  
6700 CALUMET RD  
AMARILLO TX 79106

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	11579	6	
2	WOODFORD	12229	7	
3			8	
4			9	
5			10	

Spacing Orders: 662096

Location Exception Orders: 663141

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16702

Ground Elevation: 1801

**Surface Casing: 560**

Depth to base of Treatable Water-Bearing FM: 310

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: ON SITE

A. Evaporation/dewater and backfilling of reserve pit.

Type of Mud System: AIR

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

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

Within 1 mile of municipal water well? N

H. SEE MEMO

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: 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

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 35 Twp 16N Rge 13W 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: 11000

Radius of Turn: 423

Direction: 360

Total Length: 5038

Measured Total Depth: 16702

True Vertical Depth: 12229

End Point Location from Lease,

Unit, or Property Line: 50

Notes:

Category

Description

COMPLETION INTERVAL

11/28/2017 - G60 - WILL BE LEGAL FOR THE WOODFORD (165' FNL/FSL, NCT 330' FEL/FWL)  
PER OPERATOR

This permit does not address the right of entry or settlement of surface damages.

011 23888 LOIS 1613 1H-35

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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>11/20/2017 - 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>
INTERMEDIATE CASING	<p>11/20/2017 - 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>
LOCATION EXCEPTION - 663141	<p>11/28/2017 - G60 - (I.O.) 35-16N-13W  X662096 MSSP  SHL NCT 150' FSL, NCT 330' FEL  COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL  NEWFIELD EXPLORATION MID-CONTINENT INC.  4/26/17</p>
MEMO	<p>11/20/2017 - G71 - PIT 2 &amp; 3 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST, WBM &amp; OBM CUTTINGS CAPTURED IN STEEL HALF PITS &amp; TRANSFERRED TO BACKYARD ENERGY SERVICES (22-16N-9W, KINGFISHER CO); PIT 3 - OBM TO VENDOR</p>
SPACING - 662096	<p>11/28/2017 - G60 - (640)(HOR) 35-16N-13W  EXT 653874 MSSP, WDFD  COMPL. INT. (MSSP) NCT 660' FB  COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL</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.

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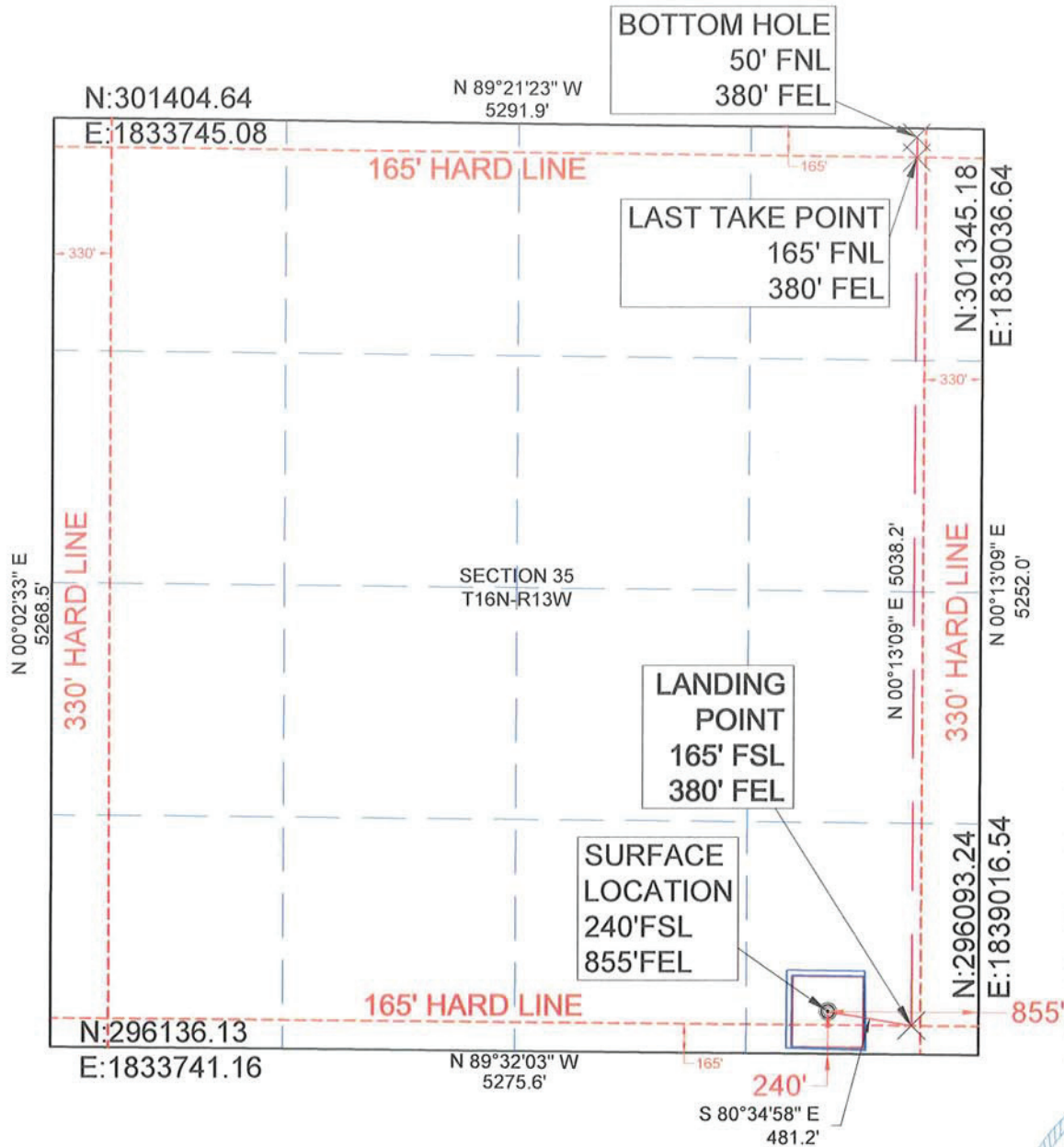
**PERMIT PLAT**

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: LOIS 1613 1H-35  
 Section 35 Township 16 N Range 13 W, I.B.M., County of Blaine, State of Oklahoma  
 Elevation Good Location?  
 Original Location: 240'FSL - 855'FEL 1801' GROUND YES  
 Distance & Direction From Nearest Town: 7.4 miles West / Southwest of Watonga.



SCALE 1" = 1000'  
 0' 1000'



**SURFACE LOCATION**  
 DATUM: NAD27  
 LAT: 35° 48' 46.28"N  
 LONG: 98° 32' 44.95"W  
 LAT: 35.812855°N  
 LONG: 98.545819°W  
 STATE PLANE  
 COORDINATES: (US  
 SURVEY FEET)  
 ZONE: NORTH ZONE  
 Y (N): 296340.06  
 X (E): 1838162.45

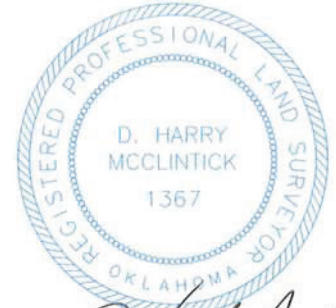
**DATUM: NAD83**  
 LONG: 35° 48' 46.44"N  
 LAT: 98° 32' 46.23"W  
 LONG: 35.812900°N  
 LONG: 98.546174°W  
 STATE PLANE  
 COORDINATES: (US  
 SURVEY FEET)  
 ZONE: NORTH ZONE  
 Y (N): 296364.93  
 X (E): 1806561.11

**DATUM: NAD83**  
 LONG: 35° 48' 46.44"N  
 LAT: 98° 32' 46.23"W  
 LONG: 35.812900°N  
 LONG: 98.546174°W  
 STATE PLANE  
 COORDINATES: (US  
 SURVEY FEET)  
 ZONE: NORTH ZONE  
 Y (N): 296364.93  
 X (E): 1806561.11

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 CFDS

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)
17048	STAKING DATE: 01/31/2017
SHEET: 6 OF 10	DRAWING DATE: 06/26/2017

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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'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



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**NEWFIELD**



**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,

Matt Cooley  
Drilling Manager