API NUMBER: 011 23929

Oil & Gas

Horizontal Hole

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

Approval Date: 01/30/2018
Expiration Date: 07/30/2018

250 feet from nearest unit or lease boundary.

20944 0

OTC/OCC Number:

PERMIT TO DRILL

WELL LOCATION:	Sec:	32 T	wp: 16N	Rge:	13W	/ с	ounty:	BLAI	NE			
SPOT LOCATION:	SE	SW	SE	SE		FEET FROM QUAR	TER:	FROM	SOUTH	FROM	EAST	
						SECTION LINES:			250		900	
Lease Name:	ICE						We	II No:	1613 1H-3	32		
Operator	NEWF	IELD EX	(PLORATIC	N MID-	CON	N INC			Teleph	one:	2816742521; 91	88781

JIMMIE ICE & VICKI ICE, CO-TRUSTEES

Well will be

RT. 1. BOX 191

FAY OK 73646

NEWFIELD EXPLORATION MID-CON INC 4 WATERWAY SQ PL STE 100 SPRING, TX 77380-2764

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

	Name	Depth	Name	Depth
1	MISSISSIPPI LIME	11669	3	
2		7	7	
3		8	3	
4		9	Э	
5			10	
Spacing Orders:	152625	Location Exception Orders:		Increased Density Orders:

Pending CD Numbers: 201708731 Special Orders:

Total Depth: 16810 Ground Elevation: 1749 Surface Casing: 490 Depth to base of Treatable Water-Bearing FM: 240

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 Mid System: ON SITE A. Evaporation/dewater and backfilling of reserve pit.

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-33800

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

H. SEE MEMO

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

H. SEE MEN

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

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 32 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: 10990 Radius of Turn: 477

Direction: 5

Total Length: 5071

Measured Total Depth: 16810

True Vertical Depth: 11696

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

Notes:

Category Description

HYDRAULIC FRACTURING 1/23/2018 - 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

INTERMEDIATE CASING 1/23/2018 - 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

МЕМО 1/23/2018 - G71 - PIT 2 & 3 - CLOSED SYSTEM = STEEL PITS PER OPERATOR REQUEST; WBM

& OBM CUTTINGS CAPTURED IN STEEL HALF PITS; PIT 2 - WBM & CUTTINGS TO BE SOIL FARMED: PIT 3 - OBM TO VENDOR, OBM CUTTINGS TRANSFERRED TO BACKYARD ENERGY

SERVICES FACILITY (ORDER # 647741, 22-16N-9W, KINGFISHER CO.)

PENDING CD - 201708731 1/25/2018 - G75 - (E.O.) 32-16N-13W

X152625 MSSLM

COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL

NO OP. NAMED REC 1-30-2018 (DUNN)

1/25/2018 - G75 - (640) 32-16N-13W **SPACING - 152625**

EXT OTHERS

EXT 126458 MSSLM, OTHERS

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS API 011-23929 BLAINE ___ County, Oklahoma 250'FSL-900'FEL Section 32 Township 16N Range 13W I.M. **PERMIT PLAT** S 89'40'47" E S 89'40'44" E 165' HARDLINE 2650.74' 2650.76 NAD-27 NAD-27 NAD-27 N 01'40'08" E 115.00' 1817915.93 X 1823217.34 Y 301511 27 1820566.65 11 301540.94 301526.13 301511.27 NAD-83 NAD-83 NAD-83 11 X 1788964.93 Y 301551.30 X 1786314.17 LAST TAKE POINT-X 1791615.67 301566.15 301536.39 BOTTOM HOLE 50'FNL-380'FEL NAD-27 لبا LAST TAKE POINT 165'FNL-380'FEL 35'49'36.0" N 98'35'51.4" W 01.40'08" <u>NAD-27</u> 35'49'34.9" N 98'35'51.5" W 2652. 00.02 2646. 35.826679° N 98.597617° W 35.826363° N X 1822836 Y 301463 NAD-83 98.597626° W z X 1822832 Y 301348 NAD-83 HARDLINE 01.25'13" 35'49'36.2" 98'35'52.7" OGR4A 4958. 35*49'35.1" N 98*35'52.7" W 35.826411" N 35.826727 N-5 98.597972 1791234 98.597981° W 330, 301489 Z 1791231 301374 32 NAD-27 NAD-27 HARDLINE X 1823140.**25** Y 298865 40 1817913.70 GRID 298888.19 OK NORTH 298865.40 FEET NAD-83 NAD-83 X 1786311.97 X 1791**538.62** Y 298890.52 500 1000 298913.40 330, LANDING POINT 165'FSL-380'FEL NAD-27 2388 35 01'10'22" 60 00.02 Ä. 2643.1 35'48'45.9" 35'48'45.9" N 98'35'52.6" W 35.812744' N 26 H 98.597937 Z X 1822710 Y 296392 11 NAD-27 NAD-83 X 1817911.74 NAD-27 SURFACE HOLE 250'FSL-900'FEI 35'48'46.1" X 1820538.5 Y 296247.71 1820538.55 98*35'53.9" 296273.24 W 35.812792° N NAD-83 NAD-83 98.598293° W X 1786310.06 1788936 9 Township Line A 1652'# X 1791108 Y 296417 296298.45 296272.87 296417 T16N-R13W HARDLINE 1 250 715N-R13W N 89'26'35" W - 2626.93 S 89'26'29" E - 2547.73 S 80'08'00" NAD-27 X 1823086.16 Y 296222.86 The information shown herein is 525.97 for construction purposes <u>ONLY.</u> Section 32 is not within a flood LANDING POINT NAD-83 X 1791484.56 Y 296247.99 1791484.56 zone. This is a proposed pad with (1) proposed well. This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy. All bearings shown are Grid, NAD-27, Oklahoma North. **ELEVATION:** 1749' Gr. at Stake (NGVD29) Operator: <u>NEWFIELD EXPLORATION MID-CONTINENT</u>, INC. DATUM: NAD-27 LAT: 35°48'46.7" N Lease Name: ICE 1613 1H - 32Well No.: LONG: 98'35'58.9" W Topography & Vegetation ___ Location fell in sloping pasture LAT: 35.812983° N Reference Stakes or Alternate Location LONG: 98.599687° W Good Drill Site? _____Yes None Stakes Set ... STATE PLANE From South off county road COORDINATES: (US Feet) Best Accessibility to Location____ ZONE: OK NORTH Distance & Direction from Hwy Jct or Town From the junction of St. Hwy 33/St. Hwy 58 & US Hwy 270, West 182**2**191 THO! of Watonga, Oklahoma, go Southwest ± 0.5 mile on St. Hwy 33, then ± 1.6 miles South 296482 to the Southeast Corner of Section 32, T16N-R13W. DATUM: NAD-83 Date of Drawing: Jan. 10, 2018 LAT: 35°48'46.9" N LONG: 98°36'00.2" W 35'48'46.9" LAND Invoice # <u>286698</u> Date Staked: <u>Jan. 9, 2018</u> **NMB** LAT: 35.813028° N LONG: 98.600044° W **CERTIFICATE:** CENSED SURVE I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land STATE PLANE COORDINATES: (US Feet) Surveyors of Oklahoma, do hereby certify to the ZONE: OK NORTH information shown herein. O'T LAHOMA 1790589 296506 Oklahoma Lic. No. 1433

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 **OKLAHOMA**

P.O. BOX 52000

API 011-23929

253 Jim Thorpe Building Telephone: (405) 521-2240 FAX: (405) 521-3099

www.occeweb.com

OIL & GAS CONSERVATION DIVISION

CORPORATION COMMISSION

OKLAHOMA CITY, OKLAHOMA 73152-2000

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.

Tim Baker

Sincerely,

Director, OGCD

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