

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: NOSLEY SCOOP, LLC AND)
NOSLEY ACQUISITION, LLC AND JONES) CAUSE NO. CD 201703568
ENERGY, LLC)
)
RELIEF SOUGHT: MULTIUNIT) ORDER NO. **705158**
HORIZONTAL WELL)
)
LAND COVERED: SECTIONS 25 AND 36,)
TOWNSHIP 12 NORTH, RANGE 6 WEST, ALL)
IN CANADIAN COUNTY, OKLAHOMA)

FINAL ORDER OF THE COMMISSION
MULTIUNIT HORIZONTAL WELL

1. **Hearing Date and Place:** This Cause initially came on for hearing on August 22, 2017 before Kendal Minmier, Administrative Law Judge at the Jim Thorpe Office Bldg., 2101 N. Lincoln Blvd., Oklahoma City Oklahoma regarding the above-styled Cause. After hearing the arguments of counsel and considering all the facts, evidence and testimony presented in the captioned Cause, the Administrative Law Judge recommended that an Interim Order issue in said Cause. Interim Order No. 674107 was issued on February 27, 2018 with a reopening date of January 16, 2018.

This Cause was recommended for an Emergency Order on August 7, 2017. Emergency Order 667349 issued on August 23, 2017. This cause was reopened on September 11, 2017.

Thereafter, this Cause came on for hearing for a final order before Michael Norris, Administrative Law Judge, on July 8, 2019 at 8:30 a.m., regarding the above-styled Cause, at the Jim Thorpe Office Bldg., 2101 N. Lincoln Blvd., Oklahoma City Oklahoma.

2. **Appearances:** Benjamin J. Brown, Attorney, appeared for the Applicant, Nosley Scoop, LLC and Nosley Acquisition, LLC and Jones Energy, LLC. Robert Gray, Attorney, appeared for Hinkle Oil & Gas. No protest was announced in this cause.

Findings

3. **Companion Causes:** CD 201703569 (Location Exception).
4. **Notice and Jurisdiction:** Notice has been given by publication as required by Commission Rules and Affidavits of Publication have been filed. Those Respondents whose names and addresses were attainable have been given actual notice by first-class mail pursuant to Commission rules. An adjudicative inquiry was conducted by the

Administrative Law Judge into the sufficiency of the search to ascertain the names and addresses of all owners, and if a diligent effort had been made to locate all affected interest owners. The Commission finds that the Applicant has made a meaningful and diligent search of all reasonably available sources at hand to ascertain those parties that are entitled to notice and the whereabouts of those entitled to notice but who were served only by publication. The Applicant gave notice as required, the Commission approves the notice given by mail and publication, and the Commission has jurisdiction of the subject matter and parties.

5. **Amendments:** At the hearing, the Mississippian and Hunton common sources of supply were dismissed.
6. **Relief Requested:** The Corporation Commission has heretofore, by Order Nos. 662309 and 670483 established 640-acre drilling and spacing units for the Woodford common source of supply underlying Section 25 and 36, Township 12 North, Range 6 West, Canadian County, Oklahoma. The Applicant, as operator, has drilled one (1) multiunit horizontal well in the lands involved herein. The location for such well is as follows:

Surface hole location:

Measured Depth	North/South Location-ft	East/West Location-ft
N/A	290' FSL	2,349' FEL of §36-12N-6W

Location at commencement of completion interval in §36:

9,081'	733' FSL	1,607' FEL of §36-12N-6W
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Location at end of completion interval in §36:

13,628'	0' FNL	1,684' FEL of §36-12N-6W
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Location at commencement of completion interval in §25:

13,628'	0' FSL	1,684' FEL of §25-12N-6W
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Location at end of completion interval in §25:

18,630'	272' FNL	1,655' FEL of §25-12N-6W
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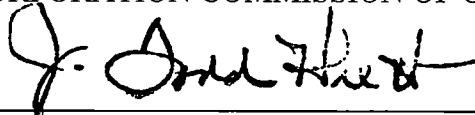
7. **Reason Relief Should Be Granted:** The requested relief for a multiunit horizontal well in the lands involved herein in the Woodford common source of supply, with a portion of the completion interval of such multiunit horizontal well to be located in one or more of the 640-acre drilling and spacing units formed for the common source of supply named herein above in Section 25 and 36, Township 12 North, Range 6 West, Canadian County, Oklahoma should be granted. The witness testified there are several reasons for the drilling of a single horizontal lateral in two sections. First, the horizontal lateral can be drilled to 0 feet from the north line of Section 36 and continue into Section 25. Secondly, the longer lateral allows a well to have a higher potential for producing oil and gas. In addition, such single lateral can produce oil and gas which cannot be produced from two (2) shorter laterals in Sections 36 and 25.
8. **Allocation:** Based on the bottomhole survey run during the drilling of the well described above, the Commission must allocate to the affected units covered hereby the reasonable drilling, completion and production costs associated with the multiunit horizontal well involved herein and the commingled production and proceeds from the completion interval of such multiunit horizontal well. Based upon the information now available, Applicant has calculated the allocation factor for each of the affected units involved herein by dividing the length of the completion interval of the multiunit horizontal well involved herein located in each such affected unit by the entire length of the completion interval of such multiunit horizontal well. Using that method, and based on the bottomhole survey, 47.6% of the completion interval of the Stejskal 36-25-12-6 1HX multiunit horizontal well is located in said Section 36 and 52.4% of such completion interval is located in said Section 25.
9. **Previous Orders:** Emergency Order No. 667349, Order No. 667593 dismissing Motion to Set Cause for Trial, Interim Order No. 674107.
10. **Special Finding:** The entire length of the lateral in the well was cemented, such that perforations will be isolated from the beginning and end point of the lateral, in order to protect the correlative rights of the offset units.
11. In order to prevent waste, to protect correlative rights and to aid in the full and efficient development of each of the affected units covered hereby, the Commission should approve the multiunit horizontal well involved herein, including establishing the applicable allocation factor for allocating the cost of and the production and proceeds from such multiunit horizontal well to each of the affected units covered hereby.

Order

12. IT IS THE ORDER OF THE COMMISSION that the relief requested in the Application, as modified above, is necessary to ensure the greatest ultimate recovery of hydrocarbons from the above-mentioned common source of supply, prevent or assist in preventing waste, and protect correlative rights of interested parties.

The relief set forth in the Application, as modified above, is granted provided that such well is commenced within one year from the date hereafter or this order shall be of no force and effect.

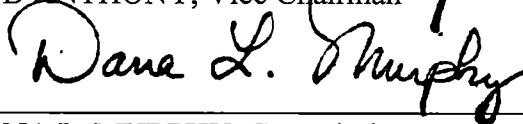
CORPORATION COMMISSION OF OKLAHOMA



J. TODD HIETT, Chairman



BOB ANTHONY, Vice Chairman

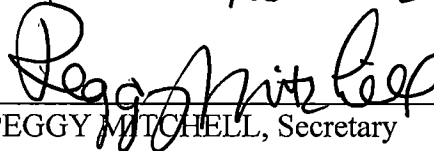
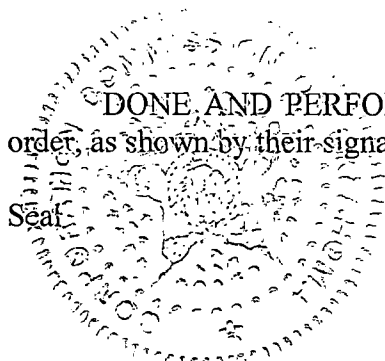


DANA L. MURPHY, Commissioner

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this order, as shown by their signatures above, this 14 day of November 2019

Seal



PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

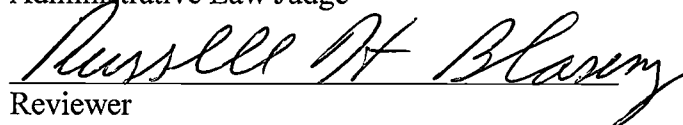
APPROVED:



Michael Norris
Administrative Law Judge

10.31.19

Date

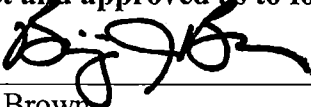


Reviewer

11/7/19

Date

The undersigned attorney affirms (1) said attorney has read this order and (2) this order is true, correct and approved as to form and content.



Benjamin J. Brown

JONES ENERGY Well Location Plat

S.H.L. Sec. 36-12N-6W I.M.
B.H.L. Sec. 25-12N-6W I.M.

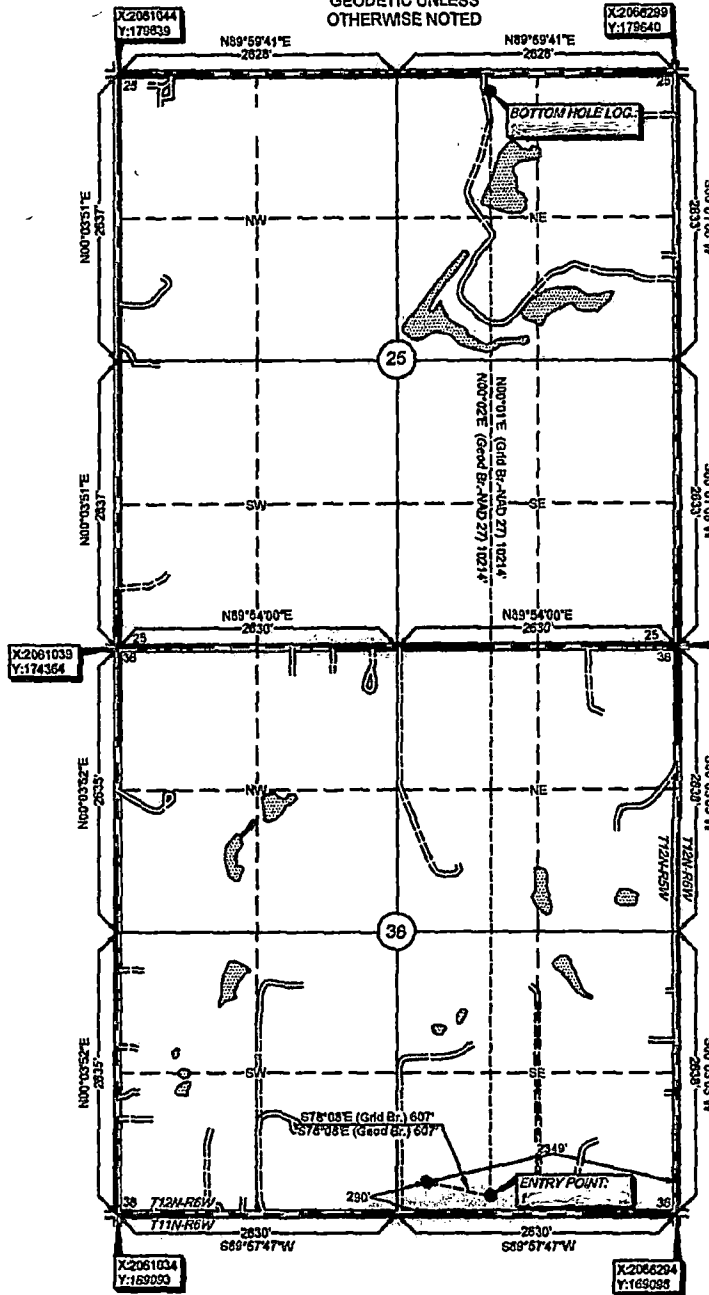
Operator: JONES ENERGY, LTD.
Lease Name and No. : STEJSKAL 36-25-12-6 1HX
Footage : 290' FSL - 2349' FEL GR. ELEVATION : 1340'
Section: 36 Township: 12N Range: 6W I.M.
County : Canadian State of Oklahoma
Terrain at Loc. : Location fell in flat disked field with high line to the North .



ALL BEARINGS
SHOWN HEREON ARE
GEODETIC UNLESS
OTHERWISE NOTED

GPS DATUM
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°27'54.50"N
Lon: 97°47'07.00"W
X: 2063948
Y: 169386
Entry Point:
Bottom Hole Loc.:



Please note that this location was obtained on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkansas Surveying and Mapping promptly if any inconsistency is determined. GPS data is obtained from RTK-GPS. Quantal Station distances may be measured from a Government Survey Plat or assumed at a non-surveyed location. All measurements are in feet and inches, and may not have been rounded and/or truncated. All bearings are geodetic unless otherwise noted. NOTE: X and Y data shown herein for Station Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.

survey and plat by,
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 818-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5349
Expires June 30, 2018
Invoices #7219-A
Date Staked: 06/28/17 By: J.L.L.
Date Drawn: 06/29/17 By: C.K.
Revised Logo: 06/30/17 By: R.S.

Certification:
This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Lance G. Mathis
LANCE G. MATHIS



06/30/17
OK LPLS 1664