

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: NEWFIELD EXPLORATION MID-)
CONTINENT INC.)
RELIEF REQUESTED: MULTIUNIT HORIZONTAL WELL) CAUSE CD NO. 201807289
OPPEL 1610 6H-24X)
LEGAL DESCRIPTION: S/2 SECTION 24 AND ALL SECTION 25,)
TOWNSHIP 16 NORTH, RANGE 10) ORDER NO.
WEST, BLAINE COUNTY, OKLAHOMA) **705175**

FINAL ORDER

1. **Hearing Date and Place:** This Cause came on for hearing before Administrative Law Judge Michael J. Porter on June 17, 2019, 8:30 a.m., regarding the above-styled Cause at the Jim Thorpe Office Building, 2101 N. Lincoln Boulevard, Oklahoma City, OK 73105.

This Cause initially came on for hearing before Administrative Law Judge Jacqueline T. Miller on October 2, 2018, 8:30 a.m., regarding the above-styled Cause at the Jim Thorpe Office Building, 2101 N. Lincoln Boulevard, Oklahoma City, OK 73105. The Administrative Law Judge heard and recommended this cause and the Commission issued Interim Order No. 688753 on December 21, 2018, which order required that this cause be reopened for the filing of Applicant's bottomhole survey.

And now the Commission being in open session and fully advised in the premises finds that this final order should issue.

2. **Appearances:** Gregory L. Mahaffey, Attorney, appeared for Applicant Newfield Exploration Mid-Continent Inc. No protests were filed.

FINDINGS

3. **Companion Causes:** Increased Well Density Cause CD Nos. 201807279 and 201807280; Multiunit Horizontal Well Cause CD Nos. 201807281, 201807283, 201807285, 201807291 and 201807293; Horizontal Well Location Exception Cause CD Nos. 201807282, 201807284, 201807286, 201807288, 201807290, 201807292 and 201807294; and Exception to 600' Rule Cause CD No. 201807295.
4. **Amendment:** The Woodford common source of supply was orally dismissed from the application.
5. **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 by publication, and the Commission has jurisdiction of the subject matter and parties.

6. **Relief Requested:** Applicant requests that it or some other party owning the right to drill be permitted to drill and produce the proposed Well, a multiunit horizontal well on the 640-acre horizontal units for the Target Reservoir comprising the Mississippian common source of supply, with the allocation of costs and production set forth below:

<u>SECTION:</u>	<u>LENGTH OF COMPLETION INTERVAL:</u>	<u>ALLOCATION OF COSTS AND PRODUCTION:</u>
24	2,396'	32.4573%
25	4,986'	67.5427%
	TOTAL 7,382'	100.0000%

7. **Relief Granted:** The requested relief is granted; the Oppel 1610 6H-24X Well is situated at the following location:

	<u>Measured Depth</u>	<u>Total Vertical Depth</u>	<u>Location</u>
<u>SURFACE LOCATION:</u>			2,430' FSL & 1,050' FEL of Sec. 24
<u>COMPLETION INTERVAL:</u>			
First Perforation	10,120'	9,781'	243' FNL & 1,671' FEL of S/2 of Sec. 24
South line of Sec.24/ North line of Sec. 25	12,516'	9,829'	0' FSL & 1,689' FEL of S/2 of Sec. 24
Last Perforation	17,502'	9,910'	297' FSL & 1,638' FEL of Sec. 25
<u>TERMINUS (BHL):</u>	17,742'	9,916'	58' FSL & 1,629' FEL of Sec. 25

The multiunit well will be for the Target Reservoir described herein and subject to the following spacing orders:

- (A) S/2 Section 24, Township 16 North, Range 10 West for 320-acre laydown horizontal

<u>Common Source of Supply</u>	<u>Depth</u>	<u>Order No.</u>
Mississippian	8,732'	653464

- (B) Section 25, Township 16 North, Range 10 West for 640-acre horizontal

<u>Common Source of Supply</u>	<u>Depth</u>	<u>Order No.</u>
Mississippian	8,810'	653464

All in Blaine County, Oklahoma.

8. **Reason for Relief: Economic** – it was the testimony that there are numerous benefits of drilling a multiunit lateral for the named common sources of supply: (a) Cost savings by construction of one surface location versus two surface locations; (b) Cost savings in infrastructure costs of one lease road, one pipeline and one tank battery versus multiple roads and pipelines if each section is developed solely as a 640-acre unit; and (c) Reduced cost of drilling only one well versus two

wells. Applicant estimates that savings in excess of \$2,000,000 will result from drilling one 7,382 foot multiunit lateral versus a 2,396 foot lateral and 4,986 foot lateral. The common source of supply is approximately the same thickness and same quality across each of the affected units and allocation of costs and production based upon percent of completion interval within each unit is fair and reasonable.

9. **Allocation of Costs and Production:** That the allocation factor for each of the affected 640-acre units involved herein shall be determined 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. The lateral of the multiunit horizontal well involved herein stayed within the productive portion of the **Target Mississippian** common source of supply throughout the drilling of such lateral, therefore, **32.4573% of the completion interval of such multiunit horizontal well is located in said Section 24, and 67.5427% of such completion interval is located in said Section 25**, with the cost of and the production and proceeds from such multiunit horizontal well to be allocated between the affected units involved herein based on such percentages. The actual allocation of such costs, production and proceeds may vary depending upon the results of the multiunit horizontal well involved herein.
10. **Special Provisions:** That the entire length of the lateral has been cased and cemented such that the perforations are isolated from the beginning and end point of the lateral.

The multiunit horizontal well, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and Newfield Exploration Mid-Continent Inc. should be permitted to drill, complete and test such well, as set out herein. The **Oppel 1610 6H-24X Well** has been drilled and completed and this order shall remain in force and effect for as long as operations or production continue, and IT IS SO ORDERED.

Interim Order No. 688753 is incorporated herein and made final in the determination of this cause.

CORPORATION COMMISSION OF OKLAHOMA



J. TODD HIATT, Chairman



BOB ANTHONY, Vice Chairman



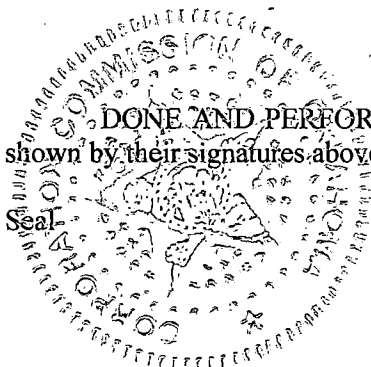
DANA L. MURPHY, Commissioner

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.



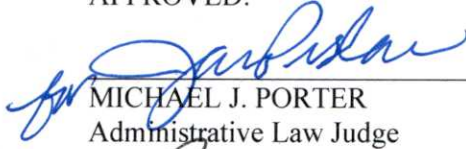
PEGGY MITCHELL, Secretary



REPORT OF THE ADMINISTRATIVE LAW JUDGE

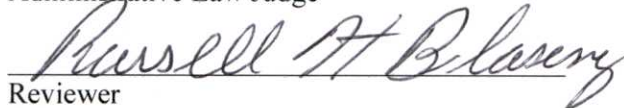
The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:



MICHAEL J. PORTER
Administrative Law Judge


10/31/2019
Date



Reviewer

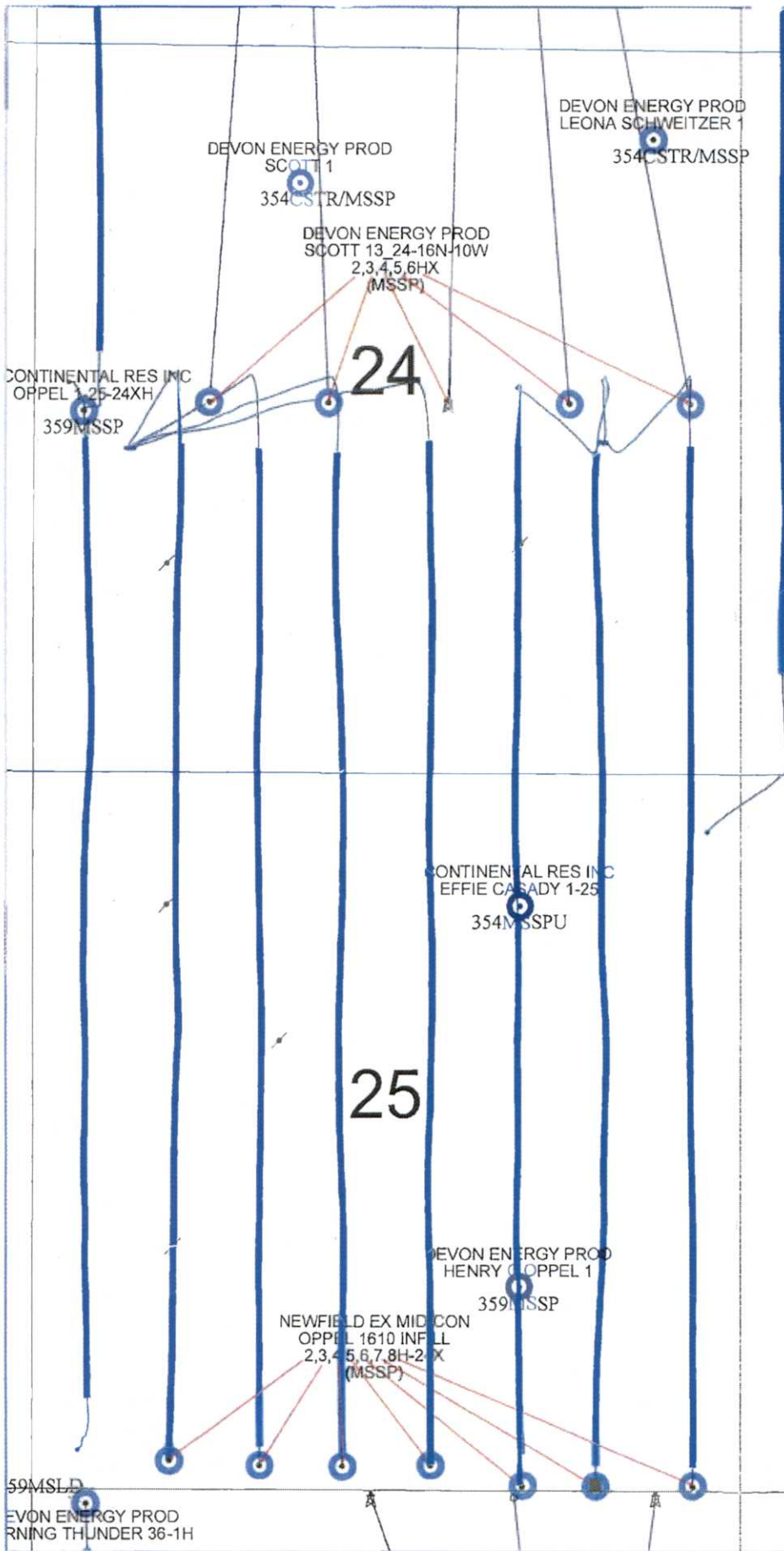
11/7/19
Date

This order follows the format and contains all elements set forth in the Judicial & Legislative Services Form Order for this type of Cause. 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.



GREGORY L. MAHAFFEY, OBA NO. 5626
CALEB A. HARTWELL, OBA NO. 33190

Exhibit A



NEWFIELD
 Newfield Exploration Mid-Continent

OPPEL 1610 INFILL

S/2 24 & 25-16N-10W

Blaine County, OK

ATTACHMENT

- Hunton Oil
- Hunton Gas
- Mississippian Oil
- Mississippian Gas
- Woodford Oil
- Woodford Gas

WELL SYMBOLS

- Dry Hole
- Drilled
- Plugged or MIA
- Producing
- Shut-in Well

10/16/2018