The Honorable Michael Porter – ALJ:

I Michael Majors protest the Application for creating the 640 Acre Drilling and Spacing Unit – Horizontal well as set out in CD 201403671, Section 32, Township 7 North, Range 8 East, Hughes County, Oklahoma.

I am protesting the above unit as;

1. A mineral owner in Hughes & Seminole Counties
2. A surface owner in Hughes and various other Oklahoma counties
3. A operator of 34 years in the State of Oklahoma
4. A citizen of the State of Oklahoma

This protest is economically detrimental unto me by loss of lease bonus, production income, time, cost and effort to protest. The issues are greater than money; it is fresh water together with the preservation of our industry.

PREMISE OF PROTEST

165:10-1-1 “, and to prevent pollution.”

165:10-3-10 (a) “In the completion of an oil, gas, injection, disposal or service well, where acidizing or fracturing processes are used, no oil, gas or deleterious substances shall be permitted to pollute any surface or subsurface fresh water”

165:10-3-39 commingling of production

165:10-7-5 Prohibition of pollution

By granting the creation of the above unit the Oklahoma Corporation Commission will allow and cause the drilling of a horizontal well which will be fracture treated in proximity to ancient wellbores, (1930 – 1960).
The exact locations of these old wells are speculative at best. Surface pipe settings were too shallow to protect the fresh water aquifers known to exist today. Upon abandonment as dry or depleted most of these wellbores were simply filled with mud in the best case. Many were just bridged off with rock and debris. A top plug often consisted of 4 or 5 sacks of cement in the surface casing which in their time was 12 ¼” resulting in 5-6’ of cement.

These plugging methods are inadequate to isolate the wellbores from the fresh water aquifers and the shallower porous formations when subjected to the pressure of hydraulic fracturing. Excluding the fresh water aquifers, would not the connection of an old wellbore to a horizontal wellbore by a fracture result in commingling of virtually all formations?

AXIOMS

Being here in protest brings me no pleasure; however, the destruction of our fresh water is unpalatable. I am for development, horizontal drilling is applicable in sparsely drilled areas or where the intervening thickness between formations is large. Neither is the case in large portions of Hughes and Seminole Counties.

This is an old field drilled on 10 or less acre spacing at shallow depths of 4500’ or less. The Woodford Shale is generally at 3800”- 4100”.

Hydrostatic pressure has been studied since the time of Archimedes and is an irrefutable fact. Exceeding this pressure will move fluid from the higher to the lower pressure. It is calculated by the formula;

Fluid Density $\times$ Vertical Depth $\times$ .052
Exhibits

1. Well Plat 6N-7E 6N-8E 7N-7E 7N-8E
   General overview of the many holes (100s – 1000s?) in the 4 Township area with generalized locations & well paths of Silvercreek horizontals. 7N-7E Silvercreek wells not plotted. Even more alarming is Silvercreeks proposed horizontal in 31 7N-8E.

2. Diagram – Wellbore Pressure/Fluid Movements
   Supporting:
   a. 8-1002A Completion Reports 32-7N-8E showing old wellbores.
   b. 5-1003 Plugging Reports covering some of the above wellbores leaving 3 wells of unknown plugging status.
   c. E-Log Caesar #1 NE NE SW 32 7N-8E shows fresh water

   An example of incomplete well data

   Are the 3 unknown wells open waiting to purge/contaminate upon frac of proposed Horizontal?

3. Stratigraphic Cross Section
   T-Rex 1-18 to Silvercreek Space Needle 17-2H. These two wells are 3130’ apart. The TVD of the Space Needle Woodford horizontal is reported as 4000’ (-3137). The T-Rex Viola perforations are 4012-54’ (-3210/-3252’). The operator of the T-Rex 1-18 Ron Arvine of January Investments confirmed to me that upon frac of the Space Needle well the T-Rex watered out for several months and that Silvercreek agreed to haul their water until production returned. Production did return after several months and 1000’s of barrels of water.

   How did the Space Needle Woodford frac impact the T-Rex Viola formation from over ½ mile away?

   Fracture into the Viola? Communication between the Woodford and Viola via an old wellbore? Neither one is acceptable.

   The Space Needle went outside its 640 acre unit!

   It is interesting to note the Space Needle 1002A reports 745,920 lbs of sand in 12,840 bbls of fluid.
   Supporting: OCC 1002A Space Needle 17-2H
               OCC 1002A T-Rex 1-18
               Exhibit 1 Area Plat showing T-Rex
               & Space Needle locations
4. Affidavit Billy C. Moss OCC District IV
   Supporting inaccurate well spots in relation to their actual location
   and the amount of due diligence required to determine stand off
   from old wellbores to Horizontal wellbores.

5. Well Plat 17-7N-11E Hughes Co., OK
   Shows Petroquest Re-Entry, Re-Plug of 1942 dry hole by their
   own initiative realizing they could not contain the frac of their two
   horizontals to be drilled.
   Supporting: OCC 1059 Supervisors Report
                OCC 1003C Field Well Report
                OCC 1000 Permit Re-Enter
                OCC 1003 Plugging Report
                OCC 1002 Well Record 1942

6. Well Plat 8 & 9 6N-9E
   Shows Silvercreek Irving 8-4H well path together with David
   Ridley wells impacted by their frac over ½ mile away.
                b. E-log diagram 1956 dry hole very close to
                   Silvercreeks horizontal indicating pressure and
                   flows into fresh water based on Ridley
                   measurements.
                c. OCC Frac Notice Irving 8-4H
                d. OCC 1085 Complaint 5-8-14
                e. OCC 1085 Complaint 5-9-14
                f. OCC 1002A Irving 8-4H
                g. OCC 1002A Bartholomew 1
                h. OCC 1002A Stanford #1 1956 82' surface casing
                   OCC 1003 Stanford #1 Plugging Record
                   Mud Plugged – 5 sk in top surface
                   casing

   Note - The 5 sk top plug disallowed the well to
   purge to surface upon experiencing frac pressure
   from the Irving 8-4H horizontal. This in turn
   would have shunted the entire flow into the fresh
   water sand at 220’, below the 82’ surface setting.
   A worse case scenario compared to purging to
   surface.

   My personal domestic water well is in 4-6N-9E
   @ 120’depth, 1 mile from this event, I would not
   expect to see contaminates appear for several years
   until withdrawal from the aquifer brings them to my
   well. Where will Silvercreek be then?
7. Plat 29, 30, 31 & 32 6N-8E
   Shows Silvercreek Strata 29-1H horizontal path, James Gammons fresh water well which purged for 4 days at a depth of 220’
   Jennie Epperly #1 Dry hole 1928 adjacent to termination of above horizontal and Gammons water well. Also shows positions of
   Silvercreek Skyline SWD 1 and Little River in support of Exhibit 7.
   Supporting:
   James Gammons Affidavit
   OCC 1002 Well Record J. Epperly #1 1928
   OCC 1003 Plugging Record J. Epperly #1

8. Photograph Holdenville Lake
   Shows lake level 11’ below full with only 8 more feet of useable water, 9 months supply. Impact of Silvercreek on our surface fresh
   water.
   Supporting:
   Holdenville News June 22, 2014
   June 25, 2014
   July 16, 2014
   August 3, 2014

9. OCC Form 1085’s Complaints
   Silvercreek has had 13 OCC complaints during the period
   February 9, 2013 to July 8, 2014, an average of 1 complaint every 6 weeks.
   The 12-31-13 complaint recommends CONTEMPT – disregard of field inspector instructions and Intent to drill requirements
   The 1-16-14 complaint reflects DISPOSAL WITHOUT INITIAL MIT.
   The 6-20-14 complaint recommends CONTEMPT. Discharge from Skyline SWD 1 into Little River.
Summary

The placement of horizontal wells and their subsequent fracture treatment in close proximity to ancient vertical wells drilled on 10 acre spacing at locations that are dubious can result in nothing but communication with formations both above and below the Woodford Shale.

Coupled with the cross formation communication in these old holes is inadequate surface casings to protect the fresh water known to exist in the present day.

A further ramification of these horizontal fracture treatments is impact off the governmental unit by either frac extension or communication with old holes.

The pressures necessary for fracturing are in excess to the pressure gradients of 9.3 lb/gal mud and surely above a 8.3 lb/gal fresh water gradient. Hydrostatic pressures are a fact.

Does not the communication to reservoirs other than those spaced and pooled constitute commingling?

The Applicant has told me “we would not do anything to harm fresh water”. They already have, the Ridley event in 8 6N-9E, the Gammons fresh water well in 32 6N-8E and the Skyline SWD 1 event into Little River.

As noted in Exhibit 8 Holdenville Lake provides water to 80% of Hughes County’s population. This lake had not been full in 9 years with only a 9 month supply at present. The Skyline SWD 1 event caused cessation of water transfer into this lake for a period of 30 days thereby denying us 500,000 gallons per day, ½ of our water usage per day. This event alone actually cut our precious water supply by 10%.

On July 16, 2014 Phil Coyle a spokesman for the applicant stated they had constructed two containments at Skyline SWD 1. How did they acquire the OCC permit for construction of this pit within the flood plain of Little River?

Why would you drill a 25,000 bbl/day disposal adjacent to a year round flowing river?

Exhibit 5 confirms the assessment that the fracturing pressures and volumes can not be contained when adjacent to old wellbores. They re-plugged the old hole.
The Applicant will present voluminous diatribe which can not circumvent Hydrostatic and applied pressure. Their testimony is smoke and mirrors to confuse the court.

The actions of the Applicant and this protest have larger implications than Section 32 7N-8E. We all should wish to preserve our industry. To my knowledge fracture treating has yet to be conclusively tied to fresh water contamination in the United States.

We in the State Of Oklahoma and the operators of this State do not want to be the ones who do so. That happening would result in a nation wide moratorium on fracture treating and the destruction of our livelihood by our opponents.

Preparation of this protest was difficult due to the incompleteness of the applicants filing of 1002A’s, no pressures reported, dates leaving questions of accuracy, interval perforations and volumes that are unusual.

I pray the Oklahoma Corporation Commission deny the Applicants request as setout in CD 201403671 and further to deny any other such filings when in similar areas.
Exhibit 1