

Corporation Commission

P.O. BOX 52000
OKLAHOMA CITY OKLAHOMA 73152-2000

255 Jim Thorpe Building
Telephone: (405)521-2302
FAX: (405)521-3099

OIL & GAS CONSERVATION DIVISION



Tim Baker, Director

January 20, 2016

**Contact: Matt Skinner
405-521-4180
m.skinner@occemail.com**

Media Advisory – Sandridge agrees to convert wells from disposal to research, reduce disposal volume

Sandridge Energy has agreed to a plan from the Oklahoma Corporation Commission’s Oil and Gas Conservation Division (OGCD) that will both reduce the volume of wastewater being injected in the Medford and Cherokee/Byron areas, and convert some wells from disposal to research operations.

OGCD Director Tim Baker says the plan allows for quick action now in areas that are seismically active, while at the same time opening the door toward gaining the knowledge needed to develop more proactive approaches to the earthquake issue.

“Under the plan, Sandridge has agreed to remove 7 wells from disposal operations, and cut back its total volume for the areas in question by 40 percent, or approximately 191 thousand barrels a day,” Baker explained. “Of the 7 wells that will stop disposal, 3 will cease operation entirely, while the remaining four will be used as monitoring wells in an Oklahoma Geological Survey (OGS) research project. Also, a well that has been unused will be given to researchers, making for a total of five wells dedicated to research.”

Baker said officials have high hopes for the project.

“For the first time, researchers will have data that shows what is happening underground in real-time when it comes to disposal and seismicity,” Baker said. “This OGS project will be in the forefront of the effort to learn not only more about what can be done about the current earthquake issue, but also what can be done to better identify and manage future risk.”

The agreement puts an end to a looming court battle between the OGCD and Sandridge.

“We had prepared and were about to file a case to force compliance to the two plans we had issued for the areas in December,” Baker said. “Sandridge was willing to try and work out an agreement. I think the result is superior to the plans originally issued. There is still a very significant cutback in volume, and the company has agreed to provide resources for this critically needed OGS research program.”

The letter to Sandridge detailing the plan is attached.

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OIL & GAS CONSERVATION DIVISION



Tim Baker, Director

TO: Sandridge Exploration and Production, LLC.

FROM: Tim Baker, Director, Oil and Gas Conservation Division

RE: Reduction in Volumes for Wells Located in Area of Interest for
Triggered Seismicity

DATE: January 20, 2016

The Commission's Oil and Gas Conservation Division (OGCD) is expanding its efforts to reduce the risk of earthquakes potentially triggered by saltwater disposal wells. The following addresses the reduction of volumes being disposed in the Arbuckle formation within the defined area of interest. Your company has been identified as one of the companies operating one or more Arbuckle disposal well(s) located within the defined areas (map attached). Sandridge will need to reduce volumes disposed into such well(s) according to the schedule attached to this letter.

All disposal well volumes shall be calculated on a daily basis. As is the practice, daily volumes due to operational changes are recognized as part of normal operations as long as weekly volumes balance with the attached schedule. In addition, gauges and flow meters shall be placed on such wells on or before Friday, January 27th, 2016 if they are not already equipped. Pressures and volumes for such wells should continue to be supplied every Monday to the Commission, on a weekly basis, at ogvolumes@occemail.com.

The reduction plan has been modified from the December 2nd, 2015 letter to the attached schedule. Sandridge has agreed to achieving a net daily reduction of forty percent (40%) and one hundred ninety one thousand three hundred twenty seven (191,327) barrels per day by April 30th, 2016.

Memo – Sandridge Production and Exploration
January 20, 2016
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This letter and the attached schedule will supersede any reduction plan previously issued to SandRidge for wells in this area.

If you have any questions contact the OGCD:

Charles Lord
(405) 522-2751

or

Jim Marlatt
(405) 522-2758

c.lord@occemail.com

j.marlatt@occemail.com

Thank you in advance for your continued cooperation and attention to this matter.

Sincerely,



Tim Baker, Director
Oil and Gas Conservation Division

The wells in this area operated by your company, and the volume reduction schedule are listed below (table continued onto next page):

Well Name	using 1/1/2015 14 day ave	Shut in by 2/2/2016 ~7% per day or Not Injecting	To be used as Monitor Wells	Volume by 2/13/2016	Volume by 3/10/2016	Volume by 4/5/2016	Volume by 4/30/2016	% Reduction
TATUM ROSE SWD 2710 1-17	9,289	x	x	0	0	0		100%
LIDIA SWD 2710 1-7	23,330			15000	15000	15000	15000	36%
DIAMONDBACK SWD 2710 1-5	27,135			20000	20000	20000	20000	26%
DIAMONDBACK SWD 2710 2-5	23,806	x	x	0	0	0	0	100%
HARLEY SWD 1-11	1,741			1625	1625	1625	1625	7%
HARLEY SWD 2-11	-	x	x	0	0	0	0	-
ROSE SWD 2810 1-26	9,697			0	0	0	0	100%
ROSE SWD 2810 2-26	10,704			18265	14940	10000	7000	35%
ASHLEY SWD 1-36	12,871			14065	12318	8503	6000	53%
ASHLEY SWD 2-36	5,472			12806	10050	8794	6000	-10%
DUSTIN SWD 2709 1-6	12,442			12969	10271	7987	6000	52%
DUSTIN SWD 2709 2-6	17,557			14601	12978	10356	8898	49%
POPPINS SWD 2810 2-21	18,733			18547	16486	14425	13968	25%
BAKER SWD 2810 1-20	7,215			4637	4121	3606	1000	86%
GRISWOLD SWD 2811 1-25	26,530			27676	24601	21526	17000	36%
CLARK W SWD 2811 1-27	13,469			26760	23787	20814	17000	-26%
Clark 2	-		x					
FIONA SWD 2610 1-5	12,916			15069	13395	12720	11000	15%
MILLIE SWD 2810 1-9	10,605			8114	7213	6311	5881	45%
AMANDA LYNN SWD 2-33	3,615			4265	3791	2569	2518	30%
LAUREN SWD 2609 1-3	11,667			9273	8243	7213	4332	63%
DONNA FAYE SWD 2708 2-19	4,583			1688	1500	1313	970	79%
DONNIE SWD 1-15	845			1699	1511	1322	977	-16%
JUDY SWD 1-12	11,373			6955	6182	6409	5041	56%
JUDY SWD 2-12	12,909			6955	6182	6409	5041	61%
PHIN SWD 2811 1-11	18,338			19832	17628	15425	15373	16%
PHIN SWD 2811 2-11	18,623			18347	16309	14270	13297	29%
ROXY SWD 1-30	16,319			30364	26990	23617	22007	-35%
CRICKET SWD 1-21	19,837			24707	21962	20163	16690	16%
BAILEY SWD 1-1	3,768	x		0	0	0	0	100%
BAILEY SWD 2-1	1,928			2617	2327	1877	1836	5%
DOTTY SWD 1-27	-	x		0	0	0	0	-
DOTTY SWD 2-27	2,957			6278	5580	5002	4923	-66%
SIDNEY SWD 1-3	7,632	x		0	0	0	0	100%
ROBYN 1-14 SWD	4,806			5571	4952	4026	2979	38%
PRESLEY SWD 1-27	4,609	x		0	0	0	0	100%
PRESLEY SWD 2-27	5,427	x	x	0	0	0	0	100%
LIZZIE SWD 2711 1-33	14,039			13763	12233	10704	10200	27%
MIGUEL SWD 2611 1-9	11,120			14352	12757	11431	9594	14%
MIGUEL SWD 2611 2-9	12,593			12853	11425	10997	8592	32%
MILA SWD 2610 1-28	18,856			16714	14857	13000	11313	40%
ROSE KELLY SWD 1-3	3,225			2853	2536	1711	1270	61%
ROSE KELLY SWD 2-3	2,884			2160	1920	1711	1270	56%
GATILLO SWD 1-34	7,680			5796	5152	4500	4809	37%
GATILLO SWD 2-34	5,571			4637	4121	3327	2808	50%
LILY SWD 1-27	1,111			2782	2473	1236	1220	-10%
TAYLOR 1-21 SWD	1,405			1623	1443	1273	346	75%
DORADO SWD 1-32	7,089			4275	3800	3655	3217	55%
	478,322			430490	382658	334826	286994	40%
						Net Reduction bpd		191,327

The wells in this area operated by your company being shut in or with zero (0) barrels per day injection volumes at the time of this plan shall remain at zero (0) barrels per day are listed below, along with the phased shutin schedule of seven percent (7%) per day

Well Name	TATUM ROSE SWD 2710 1-17	DIAMONDBACK SWD 2710 2-5	HARLEY SWD 2-11	BAILEY SWD 1-1	DOTTY SWD 1-27	SIDNEY SWD 1-3	PRESLEY SWD 1-27	PRESLEY SWD 2-27
Shutting in or remain shut in	Shutting in	Shutting in	Remain Shut in	Remain Shut in	Remain Shut in	Remain Shut in	Remain Shut in	Remain Shut in
14 day avg from 1/1/15	9289	23806	0	0	0	0	0	0
7% Reduction per day	650	1666	0	0	0	0	0	0
1/19/2016	8639	22139	0	0	0	0	0	0
1/20/2016	7988	20473	0	0	0	0	0	0
1/21/2016	7338	18807	0	0	0	0	0	0
1/22/2016	6688	17140	0	0	0	0	0	0
1/23/2016	6038	15474	0	0	0	0	0	0
1/24/2016	5387	13807	0	0	0	0	0	0
1/25/2016	4737	12141	0	0	0	0	0	0
1/26/2016	4087	10475	0	0	0	0	0	0
1/27/2016	3437	8808	0	0	0	0	0	0
1/28/2016	2787	7142	0	0	0	0	0	0
1/29/2016	2136	5475	0	0	0	0	0	0
1/30/2016	1486	3809	0	0	0	0	0	0
1/31/2016	836	2143	0	0	0	0	0	0
2/1/2016	186	476	0	0	0	0	0	0
2/2/2016	0	0	0	0	0	0	0	0