

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

API NUMBER: 039 22540

Approval Date: 05/15/2018

Expiration Date: 11/15/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 14N Rge: 14W County: CUSTER  
SPOT LOCATION:  NW  SE  SE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 345 587

Lease Name: SQUIRE Well No: 1-8-17XH Well will be 345 feet from nearest unit or lease boundary.  
Operator Name: EXCALIBUR RESOURCES LLC Telephone: 4693172200 OTC/OCC Number: 23349 0

EXCALIBUR RESOURCES LLC  
12222 MERIT DR STE 1150  
DALLAS, TX 75251-2217

BELL, JULIA MARIE ET VIR LIFE EX  
214 HELEN GREATHOUSE CIRCLE  
MIDLAND TX 79707

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	13706	6	
2	WOODFORD	14744	7	
3			8	
4			9	
5			10	

Spacing Orders: 677098  
677097

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201801376  
201801374

Special Orders:

Total Depth: 25500 Ground Elevation: 1726 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 360

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: Yes Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 50000 Average: 6000

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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34224  
H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.  
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.  
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

## PIT 2 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 17 Twp 14N Rge 14W County CUSTER

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 500

Depth of Deviation: 14425

Radius of Turn: 573

Direction: 179

Total Length: 10175

Measured Total Depth: 25500

True Vertical Depth: 15000

End Point Location from Lease,  
Unit, or Property Line: 65

### Notes:

#### Category

#### Description

DEEP SURFACE CASING

4/30/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

FORMATION TOPS & SOIL FARM PERMIT  
NUMBER

5/14/2018 - G75 - PER OPERATOR

HYDRAULIC FRACTURING

4/30/2018 - 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: [OCCWEB.COM/OG/OGFORMS.HTML](http://OCCWEB.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](http://FRACFOCUS.ORG)

MEMO

4/30/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.

039 22540 SQUIRE 1-8-17XH

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
PENDING CD - 201801374	5/14/2018 - G75 - (I.O.) 8 & 17-14N-14W X677098 MSSP, WDFD 8-14N-14W X677097 MSSP, WDFD 17-14N-14W COMPL. INT. (8-14N-14W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL COMPL. INT. (17-14N-14W) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL EXCALIBUR RESOURCES, LLC REC 3-6-2018 (DENTON)
PENDING CD - 201801376	5/14/2018 - G75 - (I.O.) 8 & 17-14N-14W EST MULTIUNIT HORIZONTAL WELL X677098 MSSP, WDFD 8-14N-14W X677097 MSSP, WDFD 17-14N-14W (MSSP ADJACENT COMMON SOURCE OF SUPPLY TO WDFD) 50% 8-14N-14W 50% 17-14N-14W EXCALIBUR RESOURCES, LLC REC 3-6-2018 (DENTON)
SPACING - 677097	5/14/2018 - G75 - (640)(HOR) 17-14N-14W VAC 121743 CSTR EST MSSP, WDFD COMPL. INT. (MSSP) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL
SPACING - 677098	5/14/2018 - G75 - (640)(HOR) 8-14N-14W VAC 121743 CSTR EST MSSP, WDFD COMPL. INT. (MSSP) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL
SURFACE CASING	4/30/2018 - G71 - MIN. 500' PER ORDER # 42589

