

API NUMBER: 063 24755

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

Approval Date: 01/12/2018

Expiration Date: 07/12/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 9N Rge: 10E County: HUGHES

SPOT LOCATION: ☐ NE ☐ NW ☐ NW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 275 584

Lease Name: BARGER EAST

Well No: 1-35-2CH

Well will be 275 feet from nearest unit or lease boundary.

Operator Name: CALYX ENERGY III LLC

Telephone: 9189494224

OTC/OCC Number: 23515 0

CALYX ENERGY III LLC
6120 S YALE AVE STE 1480
TULSA, OK 74136-4226

BARGER TRUST
319 S. CANADIAN
WETUMKA OK 74883

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	3450	6	
2	WOODFORD	3750	7	
3			8	
4			9	
5			10	

Spacing Orders: 658546
669247
659876
660570

Location Exception Orders: 669248
660571

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14200

Ground Elevation: 803

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 90

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 8000 Average: 5000

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 BED AQUIFER

Pit Location Formation: WEWOKA

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-33730

H. CLOSED SYSTEM=STEEL PITS (REQUIRED - WEWOKA CREEK)

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.

HORIZONTAL HOLE 1

Sec 02 Twp 8N Rge 10E County HUGHES

Spot Location of End Point: SW SE SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 665

Depth of Deviation: 3091

Radius of Turn: 583

Direction: 183

Total Length: 10243

Measured Total Depth: 14250

True Vertical Depth: 3750

End Point Location from Lease,
Unit, or Property Line: 165

Notes:

Category

Description

DEEP SURFACE CASING

1/10/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

1/10/2018 - 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: OCCEWEB.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

LOCATION EXCEPTION - 660571

1/11/2018 - G57 - (I.O.) 35-9N-10E & 2-8N-10E
X658546 MSSP, WDFD 35-9N-10E
X659876 MSSP, WDFD 2-8N-10E
SHL (35-9N-10E) 275' FNL, 584' FWL
COMPL. INT. (35-9N-10E) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL
COMPL. INT. (2-8N-10E) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL
CALYX ENERGY III, LLC.
2-3-2017

LOCATION EXCEPTION - 669248

1/11/2018 - G57 - EXTEND 660571 TO 2-3-2019

SPACING - 658546

1/11/2018 - G57 - (640)(HOR) 35-9N-10E
EST MSSP, WDFD, OTHER
POE TO BHL (MSSP) NCT 660' FB
POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL

SPACING - 659876

1/11/2018 - G57 - (640)(HOR) 2-8N-10E
EST MSSP, WDFD, OTHER
POE TO BHL (MSSP) NCT 660' FB
POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL
(COEXIST SP. ORDER #470870 MSSP, SP. ORDER # 471476 WDFD)

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

063 24755 BARGER EAST 1-35-2CH

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

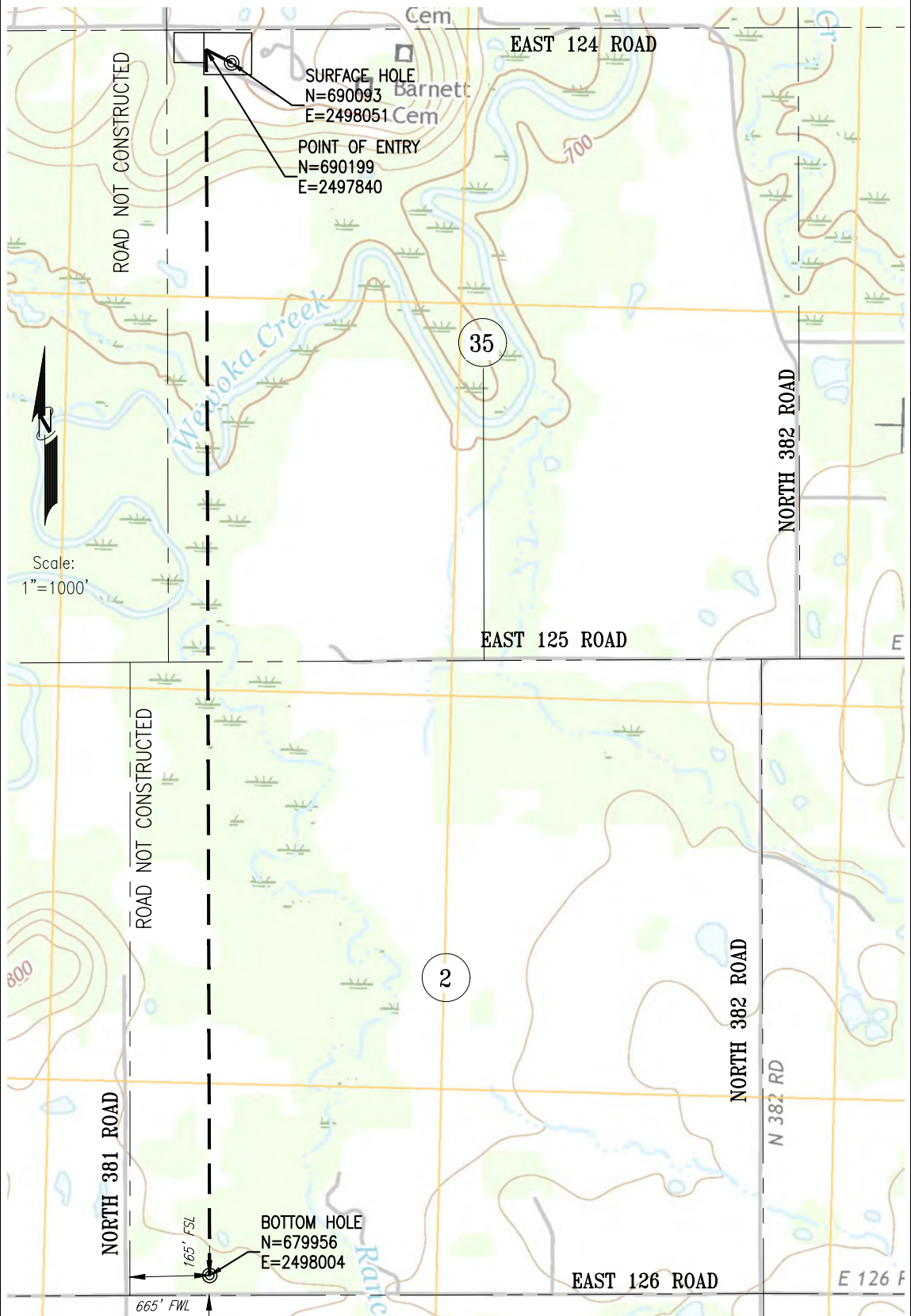
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
SPACING - 660570	<p>1/11/2018 - G57 - (I.O.) 35-9N-10E & 2-8N-10E EST MULTIUNIT HORIZONTAL WELL X358546 MSSP, WDFD 35-9N-10E ** X659876 MSSP, WDFD 2-8N-10E 50% 35-9N-10E 50% 2-8N-10E CALYX ENERGY III, LLC. 2-3-2017</p> <p>**S/B X658546 MSSP, WDFD 35-9N-10E; WILL BE CORRECTED AT HEARING FOR FINAL ORDER PER ATTORNEY FOR OPERATOR</p>
SPACING - 669247	1/11/2018 - G57 - EXTEND ORDER #660570 TO 2-3-2019

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.

BOTTOM HOLE EXHIBIT

HUGHES County, Oklahoma Sections 35 & 2, Township 09N & 08N, Range 10E 1.M.



Above Background data from
U.S.G.S. Topographic Map
Contour Interval 10'

SURFACE HOLE: 540' FWL & 275' FNL Sec. 35-T09N-R10E
POINT OF ENTRY: 330' FWL & 165' FNL Sec. 35-T09N-R10E
BOTTOM HOLE: 665' FWL & 165' FSL Sec. 02-T08N-R10E



Operator: CALYX ENERGY III, LLC
Well Name: BARGER 1-35-2CH

W16-003

Keystone Engineering
and Land Surveying, Inc.