

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

API NUMBER: 063 24816

Approval Date: 06/26/2018

Expiration Date: 12/26/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 9N Rge: 10E County: HUGHES
SPOT LOCATION: ☐ SW ☐ NW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 470 2497

Lease Name: BARGER WEST Well No: 1-34-3CH Well will be 470 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

CAROLE K. BARGER
319 S. CANADIAN
WETUMKA OK 74883

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	3530	6	
2	WOODFORD	3800	7	
3			8	
4			9	
5			10	

Spacing Orders: 658555 Location Exception Orders: 659267 Increased Density Orders:
658556 669865
659393
669249

Pending CD Numbers:

Special Orders:

Total Depth: 14200 Ground Elevation: 718 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 40

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

PIT 1 INFORMATION

Type of Pit System: ON SITE

Type of Mud System: AIR

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: 4

Liner not required for Category: 4

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

Approved Method for disposal of Drilling Fluids:

A. Evaporation/dewater and backfilling of reserve pit.

B. Solidification of pit contents.

H. SEE MEMO

F. Haul to Commercial soil farming facility: Sec. 14 Twn. 7N Rng. 9E Cnty. 63 Order No: 551649

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: 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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 03 Twp 8N Rge 10E County HUGHES

Spot Location of End Point: SE SW SW SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1975

Depth of Deviation: 3055

Radius of Turn: 573

Direction: 179

Total Length: 10245

Measured Total Depth: 14200

True Vertical Depth: 3830

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

Notes:

Category

Description

DEEP SURFACE CASING

6/7/2018 - 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

6/7/2018 - 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 - 659267

6/8/2018 - G57 - (I.O.) 3-8N-10E, 34-9N-10E
X658555 MSSP, WDFD 3-8N-10E
X658556 MSSP, WDFD 34-9N-10E
SHL (34-9N-10E) 520' FNL, 2496' FEL **
COMPL. INT. (34-9N-10E) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL
COMPL. INT. (3-8N-10E) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL
CALYX ENERGY III, LLC.
12-23-2016

**S/B SHL(34-9N-10E) 470' FNL, 2497' FEL; WILL BE CORRECTED AT THE HEARING FOR THE FINAL ORDER PER THE OPERATOR

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.

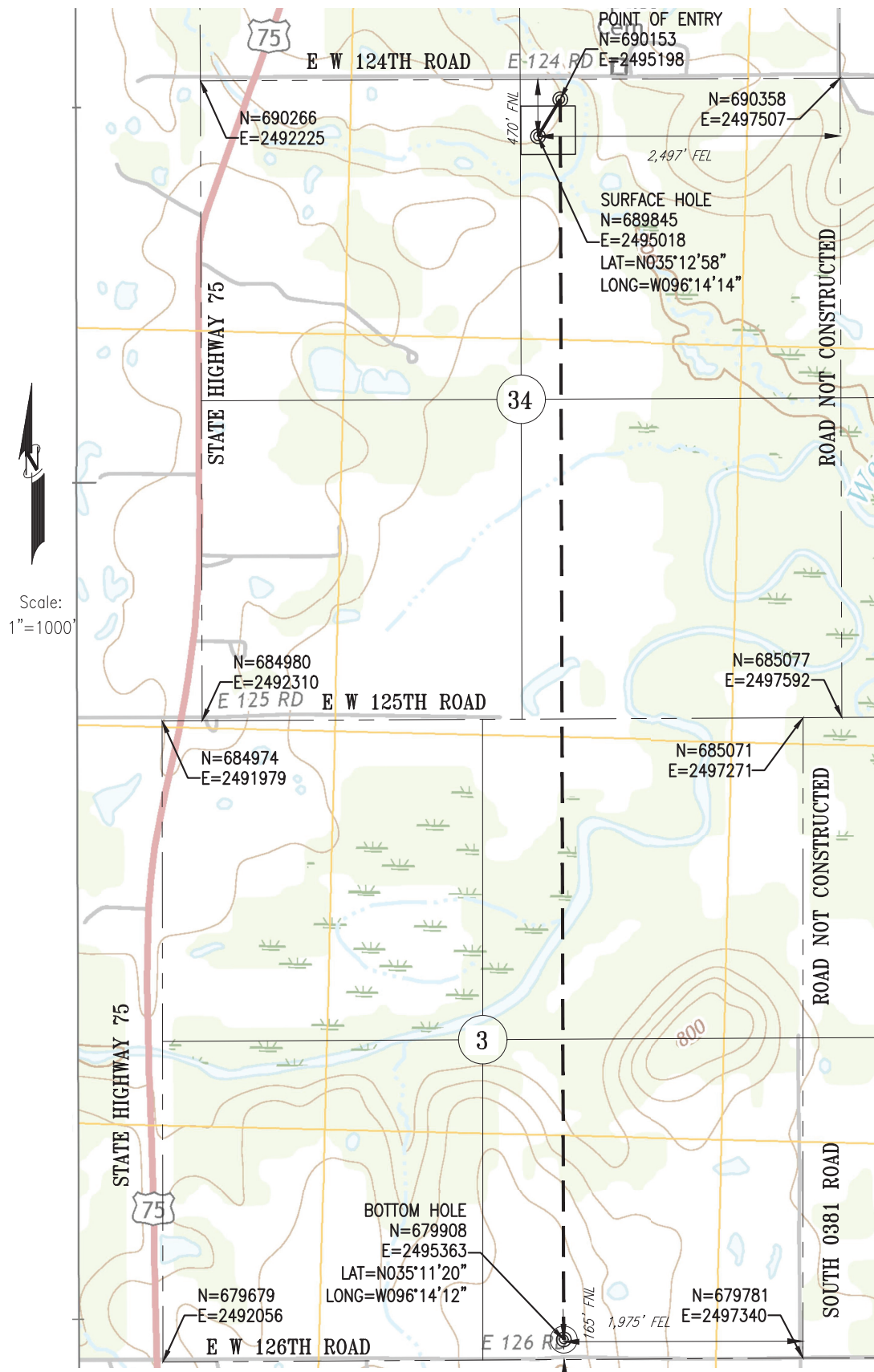
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

063 24816 BARGER WEST 1-34-3CH

Category	Description
LOCATION EXCEPTION - 669865	6/8/2018 - G57 - EXT 659267 UNTIL 12-23-2018
MEMO	6/7/2018 - G71 - PIT 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, WBM/CUTTINGS CAPTURED IN CONCRETE-LINED PIT, SOLIDIFIED AND HELD UNTIL DISPOSAL APPROVED BY OCC
SPACING - 658555	6/7/2018 - G57 - (640)(HOR) 3-8N-10E EST MSSP, WDFD, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST WITH SP. ORDER #471476 W2 & SE4 WDFD)
SPACING - 658556	6/7/2018 - G57 - (640)(HOR) 34-9N-10E EST MSSP, WDFD, OTHER POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL
SPACING - 659393	6/7/2018 - G57 - (I.O.) 3-8N-10E & 34-9N-10E EST MULTIUNIT HORIZONTAL WELL X658555 MSSP, WDFD X658556 MSSP, WDFD (WDFD IS AN ASSOCIATED COMMON SOURCE OF SUPPLY TO THE MSSP) 50% 34-9N-10E 50% 3-8N-10E CALYX ENERGY III, LLC. 12-29-2016
SPACING - 669249	6/7/2018 - G57 - EXT 659393 UNTIL 12-29-2018

BOTTOM HOLE EXHIBIT

HUGHES County, Oklahoma Sections 34 & 03, Township 09N & 08N, Range 10E I.M.




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

SURFACE HOLE: 2,497' FEL & 470' FNL Sec. 34-T09N-R10E
POINT OF ENTRY: 2,311' FEL & 165' FNL Sec. 34-T09N-R10E
BOTTOM HOLE: 1,975' FEL & 165' FNL Sec. 03-T08N-R10E

Operator: CALYX ENERGY III, LLC
Well Name: BARGER WEST 1-34-3CH

W16-003


Keystone Engineering
and Land Surveying, Inc.