

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

API NUMBER: 119 24182

Approval Date: 02/06/2014
Expiration Date: 08/06/2014

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 01 Twp: 17N Rge: 3E County: PAYNE
SPOT LOCATION: NW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 285 495

Lease Name: REECE Well No: 36-1WH Well will be 285 feet from nearest unit or lease boundary.
Operator Name: CALYX ENERGY LLC Telephone: 9189494224; 9189494 OTC/OCC Number: 22299 0

CALYX ENERGY LLC
10820 E 45TH ST STE 208
TULSA, OK 74146-3807

JASON AND SUZANNE REECE
9303 E 116TH ST
PERKINS OK 74059

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	3900	6	
2 WOODFORD	4130	7	
3 MISENER-HUNTON	4200	8	
4		9	
5		10	

Spacing Orders: 601789

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201400665
201400666

Special Orders:

Total Depth: 9378

Ground Elevation: 878

Surface Casing: 160

Depth to base of Treatable Water-Bearing FM: 110

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 14-26381

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 36 Twp 18N Rge 3E County PAYNE

Spot Location of End Point: N2 NE NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 3300

Radius of Turn: 70

Direction: 201

Total Length: 4650

Measured Total Depth: 9378

True Vertical Depth: 4250

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

Notes:

Category

Description

PENDING CD - 201400665

2/6/2014 - G30 - (E.O.) 36-18N-3E
X601789WDFD
1 WELL
NO OP. NAMED
REC 2/4/14 (MCKEOWN)

PENDING CD - 201400666

2/6/2014 - G30 - (E.O.) 36-18N-3E
X601789 MSSP, WDFD, MSRH
SHL NCT 285 FNL, NCT 510 FEL 1-17N-3E**
1ST PERF NCT 165 FSL, NCT 330 FEL 36-18N-3E
LAST PERF NCT 165 FNL, NCT 330 FEL 36-18N-3E
NO OP. NAMED
REC 2/4/14 (MCKEOWN)

**SHL TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION

SPACING - 601789

2/6/2014 - G30 - (640 HOR) 36-18N-3E
EST MSSP, WDFD, MSRH, OTHER
POE TO BHL (MSSP, MSRH) NCT 660' FB
POE TO BHL (WDFD) NCT 330' FB
(SUPERCEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)