

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

API NUMBER: 063 24755 A

Approval Date: 01/12/2018  
Expiration Date: 07/12/2018

Horizontal Hole Oil & Gas

Amend reason: CHANGE SURFACE HOLE LOCATION

AMEND 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: 275 540

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

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

Approved Method for disposal of Drilling Fluids:

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](http://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](http://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)

Category	Description
SPACING - 660570	<p>1/11/2018 - G57 - (I.O.) 35-9N-10E &amp; 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

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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.