

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

API NUMBER: 063 24762 A

Approval Date: 02/07/2018

Expiration Date: 08/07/2018

Horizontal Hole Oil & Gas

Amend reason: CHANGE SURFACE LOCATION

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 23 Twp: 9N Rge: 11E

County: HUGHES

SPOT LOCATION:

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 709 219

Lease Name: MADISON

Well No: 1-23-14WH

Well will be 219 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

DUNN REVOCABLE TRUST  
11710 S. HOLLEY CT.  
JENKS OK 74037

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

| Name       | Depth | Name | Depth |
|------------|-------|------|-------|
| 1 WOODFORD | 4000  | 6    |       |
| 2          |       | 7    |       |
| 3          |       | 8    |       |
| 4          |       | 9    |       |
| 5          |       | 10   |       |

Spacing Orders: 666635  
667659

Location Exception Orders: 667547

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 15250

Ground Elevation: 905

**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

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: CALVIN

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

PERMIT NO: 17-33507

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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 14 Twp 9N Rge 11E County HUGHES

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: 3827

Radius of Turn: 573

Direction: 358

Total Length: 10522

Measured Total Depth: 15250

True Vertical Depth: 4100

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

## Notes:

| Category                    | Description  |
|-----------------------------|--|
| DEEP SURFACE CASING         | 2/5/2018 - 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        | 2/5/2018 - G71 - OCC 165:10-3-10 REQUIRES:<br><br>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;<br><br>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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a> ; AND,<br><br>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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a> |
| LOCATION EXCEPTION - 667547 | 2/6/2018 - G57 - (I.O.) 23 & 14-9N-11E<br>X666635 WDFD<br>COMPL. INT. (23-9N-11E) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL<br>COMPL. INT. (14-9N-11E) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL<br>CALYX ENERGY III, LLC.<br>8-28-2017  |
| SPACING - 666635            | 2/6/2018 - G57 - (640)(HOR) 23 & 14-9N-11E<br>EXT 660420 WDFD, OTHER<br>EST OTHER<br>POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL   |
| SPACING - 667659            | 2/6/2018 - G57 - (I.O.) 23 & 14- 9N-11E<br>X666635 WDFD<br>50% 23-9N-11E<br>50% 14-9N-11E<br>CALYX ENERGY III, LLC.<br>8-30-2017   |

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

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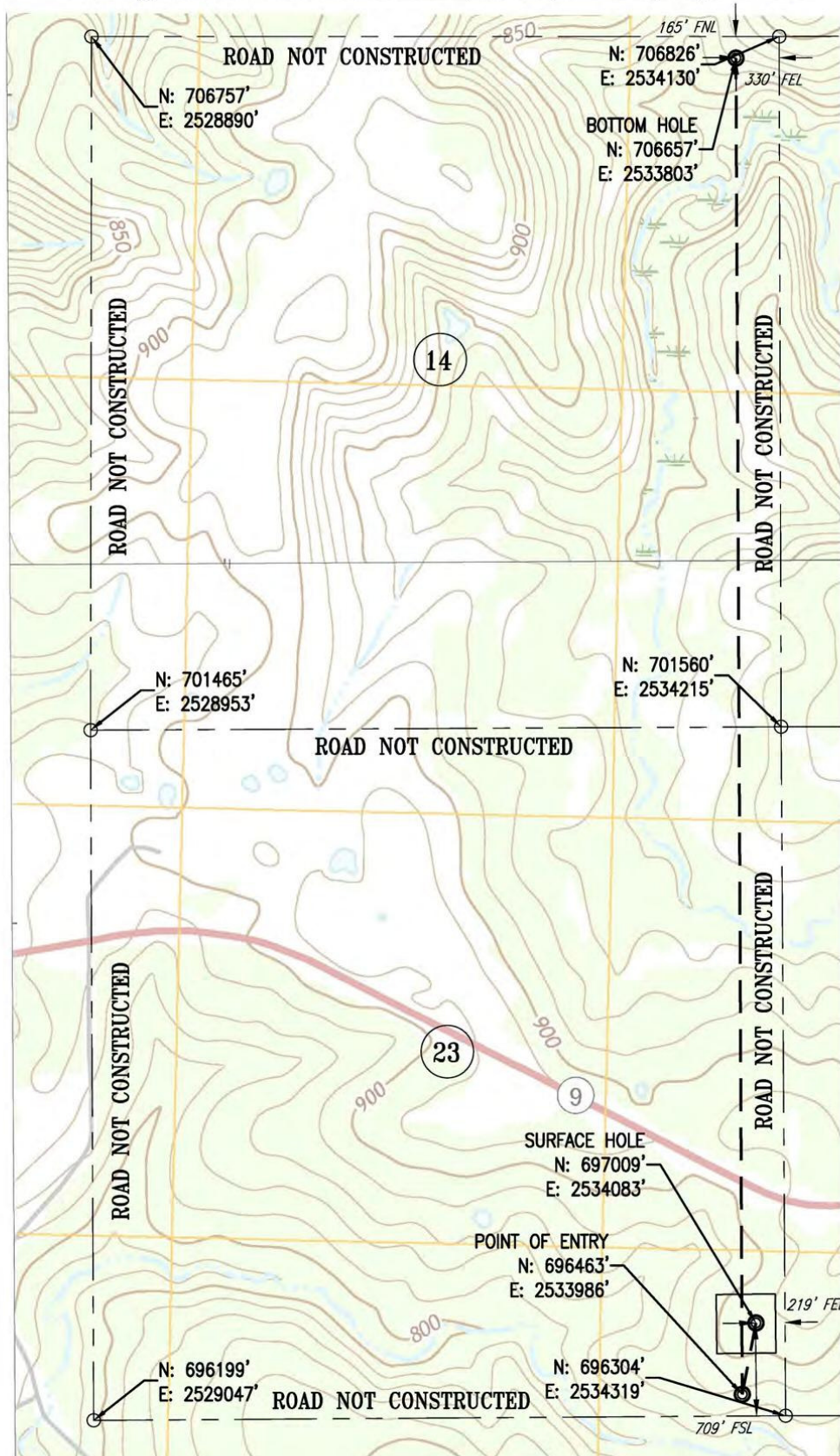
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

063 24762 MADISON 1-23-14WH

# BOTTOM HOLE EXHIBIT

HUGHES County, Oklahoma Sections 23 & 14, Township 9N, Range 11E I.M.

Scale:  
1"=1000'



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

SURFACE HOLE: 219' FEL & 709' FSL Sec. 23-T9N-R11E  
POINT OF ENTRY: 330' FEL & 165' FSL Sec. 23-T9N-R11E  
BOTTOM HOLE: 330' FEL & 165' FNL Sec. 14-T9N-R11E



Operator: CALYX ENERGY III, LLC  
Well Name: MADISON 1-23-14WH

W18-001

Keystone Engineering  
and Land Surveying, Inc.