

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

API NUMBER: 063 24701 A

Approval Date: 08/25/2017
Expiration Date: 02/25/2018

Horizontal Hole Oil & Gas

Amend reason: CHANGE SURFACE LOCATION & GROUND
ELEVATION

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 20 Twp: 9N Rge: 12E

County: HUGHES

SPOT LOCATION: SW SW SW SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 255 300

Lease Name: JEFFERSON

Well No: 1-20-17WH

Well will be 255 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

KYLE ROBISON
2769 N. 389 RD.
LAMAR OK 74850

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

| | Name | Depth | Name | Depth |
|---|----------|-------|------|-------|
| 1 | WOODFORD | 4100 | 6 | |
| 2 | | | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 661353
665620

Location Exception Orders: 665621

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 14000

Ground Elevation: 774

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 170

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: SENORA

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-32982
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 17 Twp 9N Rge 12E County HUGHES

Spot Location of End Point: N2 NW NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 3024

Radius of Turn: 477

Direction: 1

Total Length: 10227

Measured Total Depth: 14000

True Vertical Depth: 4100

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

DEEP SURFACE CASING

8/17/2017 - G58 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

8/17/2017 - G58 - 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: OCCWEB.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 - 665621

8/25/2017 - G75 - (I.O.) 20 & 17-9N-12E

X661353 WDFD

COMPL. INT. (20-9N-12E) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL

COMPL. INT. (17-9N-12E) NCT 0' FSL, NCT 660' FNL, NCT 330' FWL

CALYX ENERGY III, LLC

7-5-2017

SPACING - 661353

8/25/2017 - G75 - (640)(HOR) 20 & 17-9N-12E

EST WDFD, OTHERS

COMPL. INT. NLT 165' FNL & FSL, NLT 330' FEL & FWL

SPACING - 665620

8/25/2017 - G75 - (I.O.) 20 & 17-9N-12E

EST MULTIUNIT HORIZONTAL WELL

X661353 WDFD

53% 20-9N-12E

47% 17-9N-12E

CALYX ENERGY III, LLC

7-5-2017

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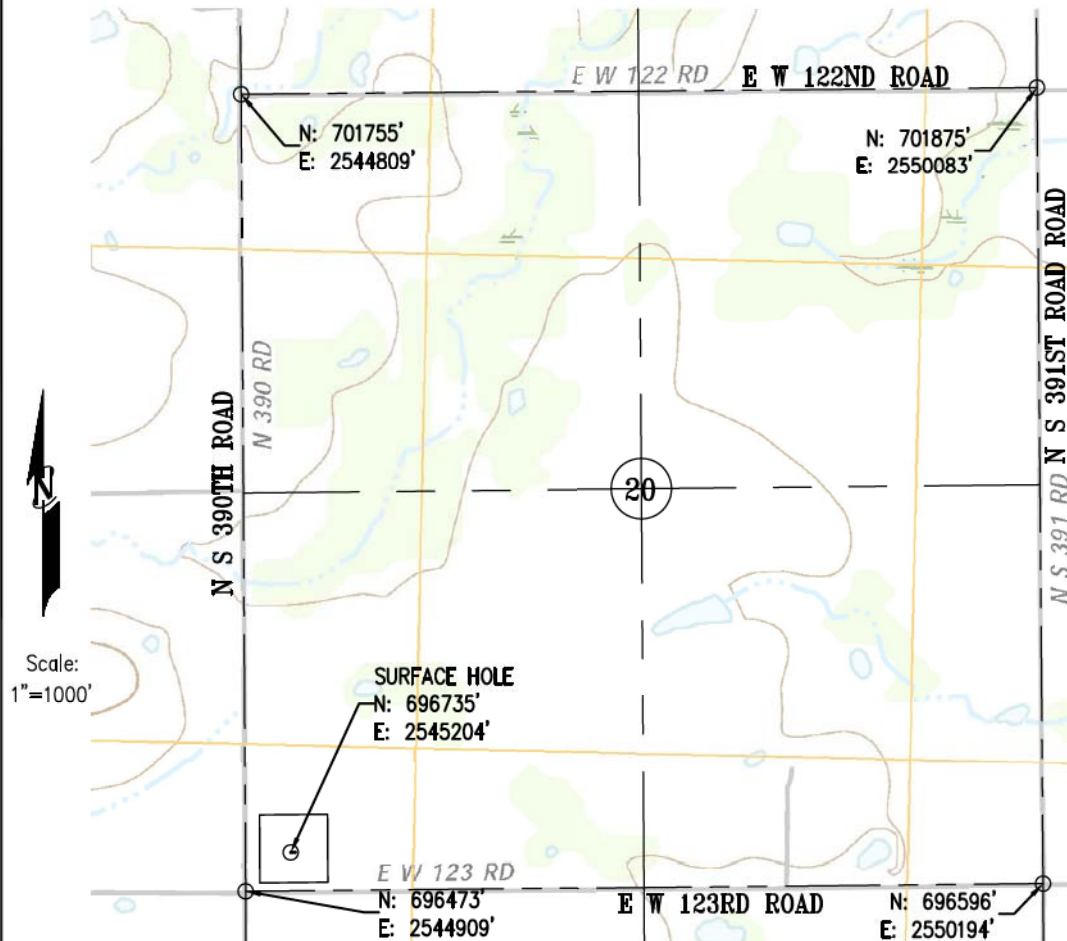
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

063 24701 JEFFERSON 1-20-17WH

PROPOSED WELL LOCATION

Hughes County, Oklahoma

300' FWL 255' FSL SW/4 Section 20 Township 09N Range 12E 1M.



Bottom Hole, Landing Point, and Drill Path information provided by operator listed, NOT Surveyed; distance between drill paths are calculated.

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

Operator: CALYX ENERGY III, LLC

Lease Name: JEFFERSON

Well No.: 1-20-17 WH

Topography & Vegetation: LOCATION FELL IN PASTURE LAND

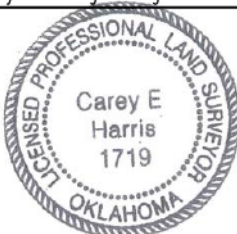
Good Drill Site: YES

Best Accessibility to Location: FROM WEST

Distance and Direction from Hwy Junction or Town: FROM THE INTERSECTION OF SH 9 AND N/S 390 ROAD SOUTH 1.5 MILES TO WELL PAD

ELEVATION:
774.15' GR. AT STAKE

Keystone Engineering and Land Surveying, Inc. CA #5877 Exp. 6/30/19 P.O. Box 436 Stillwater, OK. 74076 Ph. (405) 743-3355



CERTIFICATE:

W17-014

I, Carey E. Harris, an Oklahoma Professional Land Surveyor and an authorized agent of Keystone Engineering and Land Surveying, Inc., does hereby certify that on July 24, 2017, the above described well location was surveyed on the ground as shown herein.

Carey E. Harris, Oklahoma Professional Land Surveyor No. 1719

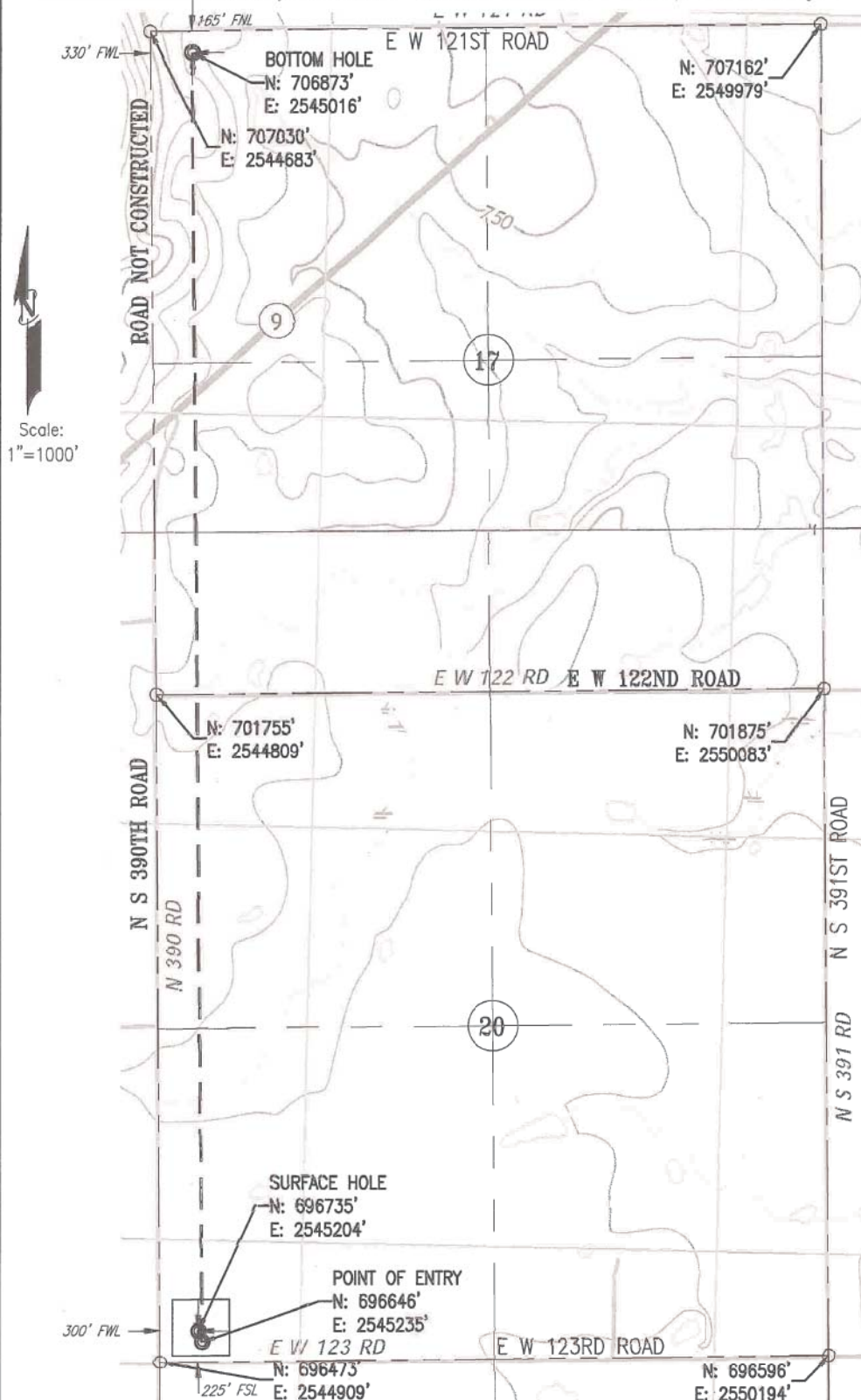
(THE FOLLOWING INFORMATION WAS GATHERED USING A GPS RECEIVER. ACCURACY ±3 FOOT.)

GPS DATUM: NAD-83
LATITUDE: 35°13'57" N
LONGITUDE: 96°04'07" W

STATE PLANE COORDINATES
ZONE: OK SOUTH
X: 2545204
Y: 696735

BOTTOM HOLE EXHIBIT

HUGHES County, Oklahoma Sections 17 & 20, Township 09N, Range 12E I.M.



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

SURFACE HOLE: 300' FWL & 255' FSL Sec. 20-T09N-R12E
POINT OF ENTRY: 330' FWL & 165' FSL Sec. 20-T09N-R12E
BOTTOM HOLE: 330' FWL & 165' FNL Sec. 17-T09N-R12E



Operator: CALYX ENERGY III, LLC
Well Name: JEFFERSON 1-20-17 WH

W17-014

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