

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

API NUMBER: 107 23604

Approval Date: 08/22/2018

Expiration Date: 02/22/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 15 Twp: 10N Rge: 9E

County: OKFUSKEE

SPOT LOCATION: ☐ NW ☐ NW ☐ SW ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1035 167

Lease Name: CHEATWOOD

Well No: 1-15-27CH

Well will be 167 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

LONNIE R. & KARON R. CHEATWOOD
115151 N. 3740 RD
OKEMAH OK 74859

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

| | Name | Depth | Name | Depth |
|---|---------------|-------|------|-------|
| 1 | MISSISSIPPIAN | 3600 | 6 | |
| 2 | WOODFORD | 3875 | 7 | |
| 3 | | | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: 646252

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201804837
201804836
201804853
201804854
201804852

Special Orders:

Total Depth: 14794 Ground Elevation: 811

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 210

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 BED AQUIFER

Pit Location Formation: SEMINOLE

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.

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

H. SEE MEMO

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: 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 BED AQUIFER

Pit Location Formation: SEMINOLE

HORIZONTAL HOLE 1

Sec 27 Twp 10N Rge 9E County OKFUSKEE

Spot Location of End Point: S2 SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 3223

Radius of Turn: 477

Direction: 179

Total Length: 10822

Measured Total Depth: 14794

True Vertical Depth: 3875

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

Notes:

Category

Description

DEEP SURFACE CASING

8/6/2018 - 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

8/6/2018 - 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

MEMO

8/6/2018 - 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

PENDING CD - 201804836

8/8/2018 - G57 - (640)(HOR) 22-10N-9E
EXT 646252 MSSP, WDFD
POE TO BHL (MSSP) NLT 660' FB
POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL
REC 7-16-2018 (JOHNSON)

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.

107 23604 CHEATWOOD 1-15-27CH

| Category | Description |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PENDING CD - 201804837 | 8/8/2018 - G57 - (640)(HOR) 27-10N-9E EST MSSP, WDFD POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST W/ SP. ORDER 216099 MYES SW4 SE4) REC 7-16-2018 (JOHNSON) |
| PENDING CD - 201804852 | 8/8/2018 - G57 - (I.O.) 15, 22, 27-10N-9E EST MULTUNIT HORIZONTAL WELL X646252 MSSP, WDFD 15-10N-9E X201804836 MSSP, WDFD 22-10N-9E X201804837 MSSP, WDFD 27-10N-9E (WDFD IS AN ADJACENT COMMON SOURCE OF SUPPLY TO THE MSSP) 10% 15-10N-9E 45% 22-10N-9E 45% 27-10N-9E CALYX ENERGY III, LLC. REC 7-16-2018 (JOHNSON) |
| PENDING CD - 201804853 | 8/8/2018 - G57 - (I.O.) 15, 22, 27-10N-9E X646252 MSSP, WDFD 15-10N-9E X201804836 MSSP, WDFD 22-10N-9E X201804837 MSSP, WDFD 27-10N-9E COMPL. INT. (15-10N-9E) NLT 165' FSL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (22-10N-9E) NCT 0' FNL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (27-10N-9E) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL NO OP. NAMED REC 7-16-2018 (JOHNSON) |
| PENDING CD - 201804854 | 8/8/2018 - G57 - (I.O.) 15-10N-9E X646252 MSSP 1 WELL NO OP. NAMED REC 7-16-2018 (JOHNSON) |
| SPACING - 646252 | 8/7/2018 - G57 - (640)(HOR) 15-10N-9E EST MSSP, WDFD, OTHERS POE TO BHL (MSSP) NLT 660' FB POE TO BHL (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL (COEXIST WITH SP. ORDER 461122 WDFD S2 NE4, NE SE4) |

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.

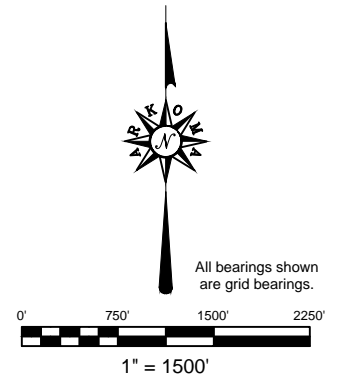
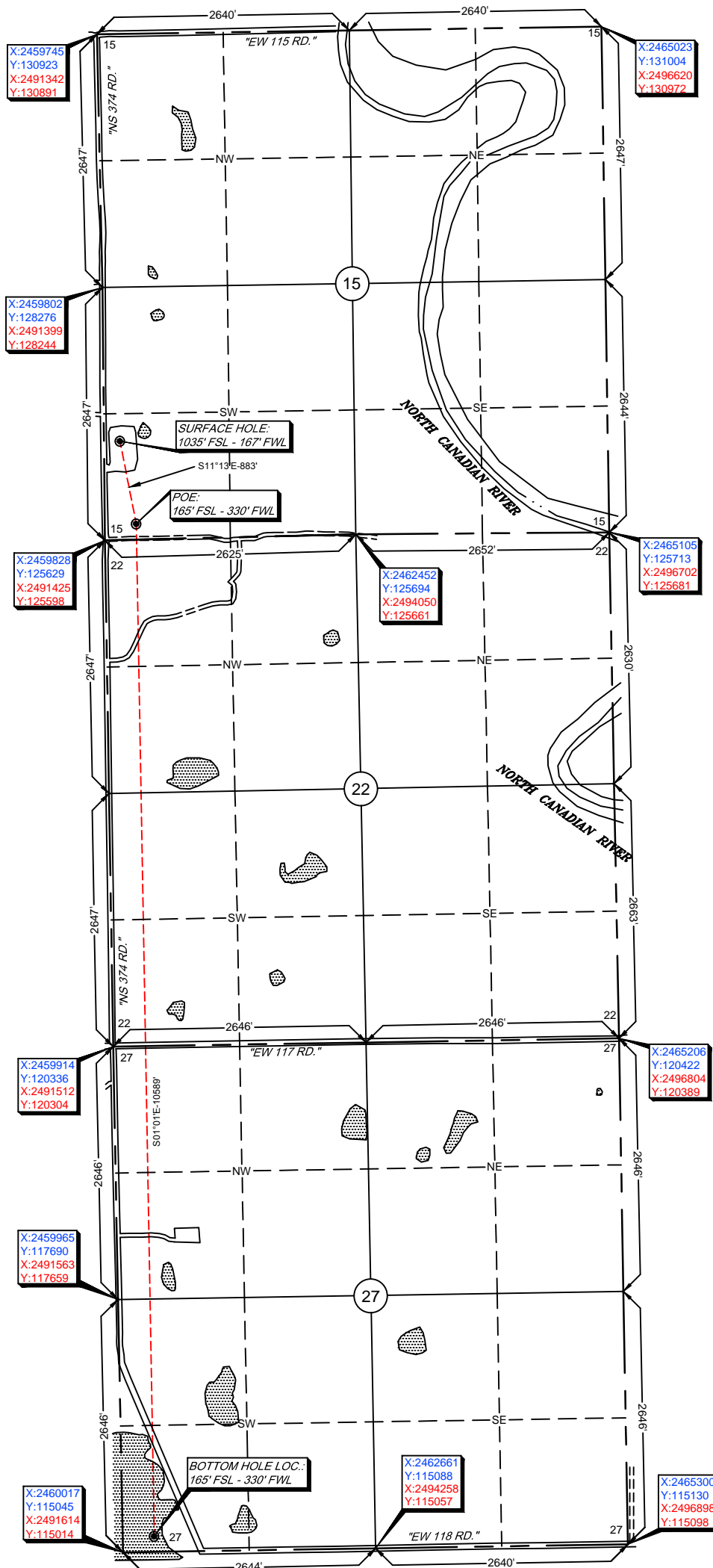
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.



S.H.L. Sec. 15-10N-9E I.M.
B.H.L. Sec. 27-10N-9E I.M

Operator: CALYX ENERGY III, LLC
Lease Name and No.: CHEATWOOD 1-15-27CH
Footage: 1035' FSL - 167' FWL Gr. Elevation: 811'
Section: 15 Township: 10N Range: 9E I.M.
County: Okfuskee State of Oklahoma
Terrain at Loc.: Location fell on existing Cheatwood location.

API:107 23604



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°20'11.44"N
Lon: 96°21'07.99"W
X: 2459984.64
Y: 126668.27

Surface Hole Loc.:
Lat: 35°20'11.14"N
Lon: 96°21'06.95"W
X: 2491582.02
Y: 126636.38

POE:
Lat: 35°20'02.85"N
Lon: 96°21'06.09"W
X: 2460156.39
Y: 125802.44

POE:
Lat: 35°20'02.55"N
Lon: 96°21'05.06"W
X: 2491753.77
Y: 125770.56

Bottom Hole Loc.:
Lat: 35°18'18.13"N
Lon: 96°21'06.00"W
X: 2460343.60
Y: 115215.56

Bottom Hole Loc.:
Lat: 35°18'17.83"N
Lon: 96°21'04.97"W
X: 2491941.08
Y: 115183.91

-please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arcoma Surveying and Mapping promptly if any discrepancies is determined. GPS data is observed from RTK - GPS, NOTICE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey. Quarter Section distances may be assumed from a Government Survey Plat or assumed, at a proportionate distance from opposing section corners, or occupation thereon, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2020
Invoice #7897-A

| | |
|-----------------------|----------|
| Date Staked: 06/26/18 | By: H.S. |
| Date Drawn: 07/10/18 | By: J.K. |
| Revise POE: 08/22/18 | By: M.K. |

Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.


LANCE G. MATHIS

08/22/18

OK LPLS 1664

