

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

API NUMBER: 091 21811

Approval Date: 09/24/2018

Expiration Date: 03/24/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 9N Rge: 13E County: MCINTOSH

SPOT LOCATION:     FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 2019 253

Lease Name: SCHRUTE FARMS Well No: 1-16-4CH Well will be 253 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

JACK CAMPBELL RANCH, LLC  
399356 HWY 9  
HANNA OK 74845

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	4455	6	
2	WOODFORD	4805	7	
3			8	
4			9	
5			10	

Spacing Orders: 541908  
535651  
541781  
681950  
681951

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201805912  
201805911  
201805913  
201807345

Special Orders:

Total Depth: 16670

Ground Elevation: 833

**Surface Casing: 1500**

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

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 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: SENORA

Mud System Change to Water-Based or Oil-Based Mud Requires an Amended Intent (Form 1000).

PIT 2 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: SENORA

HORIZONTAL HOLE 1

Sec 04 Twp 9N Rge 13E County MCINTOSH

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: 4173

Radius of Turn: 382

Direction: 1

Total Length: 11897

Measured Total Depth: 16670

True Vertical Depth: 4900

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

DEEP SURFACE CASING

9/7/2018 - GA3 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

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.

091 21811 SCHRUTE FARMS 1-16-4CH

Category	Description
HYDRAULIC FRACTURING	<p>9/7/2018 - GA3 - 9/7/2018 - GA3 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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://OCCWEB.COM/OG/OGFORMS.HTML">OCCWEB.COM/OG/OGFORMS.HTML</a>; AND,</p> <p>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></p>
MEMO	<p>9/7/2018 - GA3 - PIT 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, WBM/CUTTINGS CAPTURED IN CONCRETE-LINED PIT, SOLIDIFIED AND HELD UNTIL DISPOSAL APPROVED BY OCC</p>
PENDING CD - 201805911	<p>9/10/2018 - G57 - 9-9N-13E X535651 MSSP 1 WELL NO OP. NAMED REC 8-28-2018 (DUNN)</p>
PENDING CD - 201805912	<p>9/10/2018 - G57 - (I.O.) 4, 9, 16-9N-13E X541908 MSSP 4-9N-13E X681951 WDFD 4-9N-13E X535651 MSSP, WDFD 9-9N-13E X541781 MSSP 16-9N-13E X681950 WDFD 16-9N-13E COMPL. INT. (16-9N-13E) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (9-9N-13E) NCT 0' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (4-9N-13E) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL NO OP. NAMED REC 8-28-2018 (DUNN)</p>
PENDING CD - 201805913	<p>9/10/2018 - G57 - (I.O.) 4, 9, 16-9N-13E EST MULTIUNIT HORIZONTAL WELL X541908 MSSP 4-9N-13E X681951 WDFD 4-9N-13E X535651 MSSP, WDFD 9-9N-13E X541781 MSSP 16-9N-13E X681950 WDFD 16-9N-13E (WDFD IS AN ADJACENT COMMON SOURCE OF SUPPLY TO THE MSSP) 33% 4-9N-13E ** 33% 9-9N-13E ** 34% 16-9N-13E ** CALYX ENERGY III, LLC. REC 8-28-2018 (DUNN)</p>
PENDING CD - 201807345	<p>**S/B 25% 4-9N-13E, 53% 9-9N-13E , 22% 16-9N-13E; WILL BE CORRECTED AT THE HEARING FOR THE FINAL ORDER PER OPERATOR</p> <p>9/17/2018 - G57 - 16-9N-13E X541781 MSSP 2 WELLS CALYX ENERGY III, LLC. HEARING 10-9-2018</p>
SPACING - 535651	<p>9/10/2018 - G57 - (640) 9-9N-13E VAC OTHERS VAC 512614 MSSP, WDFD, OTHER EXT 516040 MSSP, WDFD, OTHERS EXT OTHER</p>
SPACING - 541781	<p>9/10/2018 - G57 - (640) 16-9N-13E VAC OTHERS EXT 535651 MSSP, OTHERS</p>
SPACING - 541908	<p>9/10/2018 - G57 - (640) 4-9N-13E VAC OTHERS EXT 535651 MSSP, OTHERS</p>
SPACING - 681950	<p>9/10/2018 - G57 - (640)(HOR) 16-9N-13E EST WDFD, OTHER POE TO BHL NCT 165' FNL &amp; FSL, NCT 330' FEL &amp; FWL</p>

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.

Category

SPACING - 681951

Description

9/10/2018 - G57 - (640)(HOR) 4-9N-13E  
EST WDFD, OTHER  
POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL

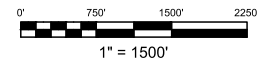
This permit does not address the right of entry or settlement of surface damages.  
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.  
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Operator: CALYX ENERGY III, LLC  
Lease Name and No.: SCHRUTE FARMS 1-16-4CH  
Footage: 2019' FNL - 253' FWL Gr. Elevation: 833'  
Section: 16 Township: 9N Range: 13E I.M.  
County: McIntosh State of Oklahoma  
Terrain at Loc.: Location fell in a fairly flat open pasture.

API:091 21811



All bearings shown  
are grid bearings.



GPS DATUM  
NAD 83  
NAD 27

OK SOUTH ZONE

**Surface Hole Loc.:**  
Lat: 35°15'19.34"N  
Lon: 95°56'42.51"W  
X: 2581974.58  
Y: 705739.66

**Surface Hole Loc.:**  
Lat: 35°15'18.99"N  
Lon: 95°56'41.52"W  
X: 2613572.25  
Y: 705685.78

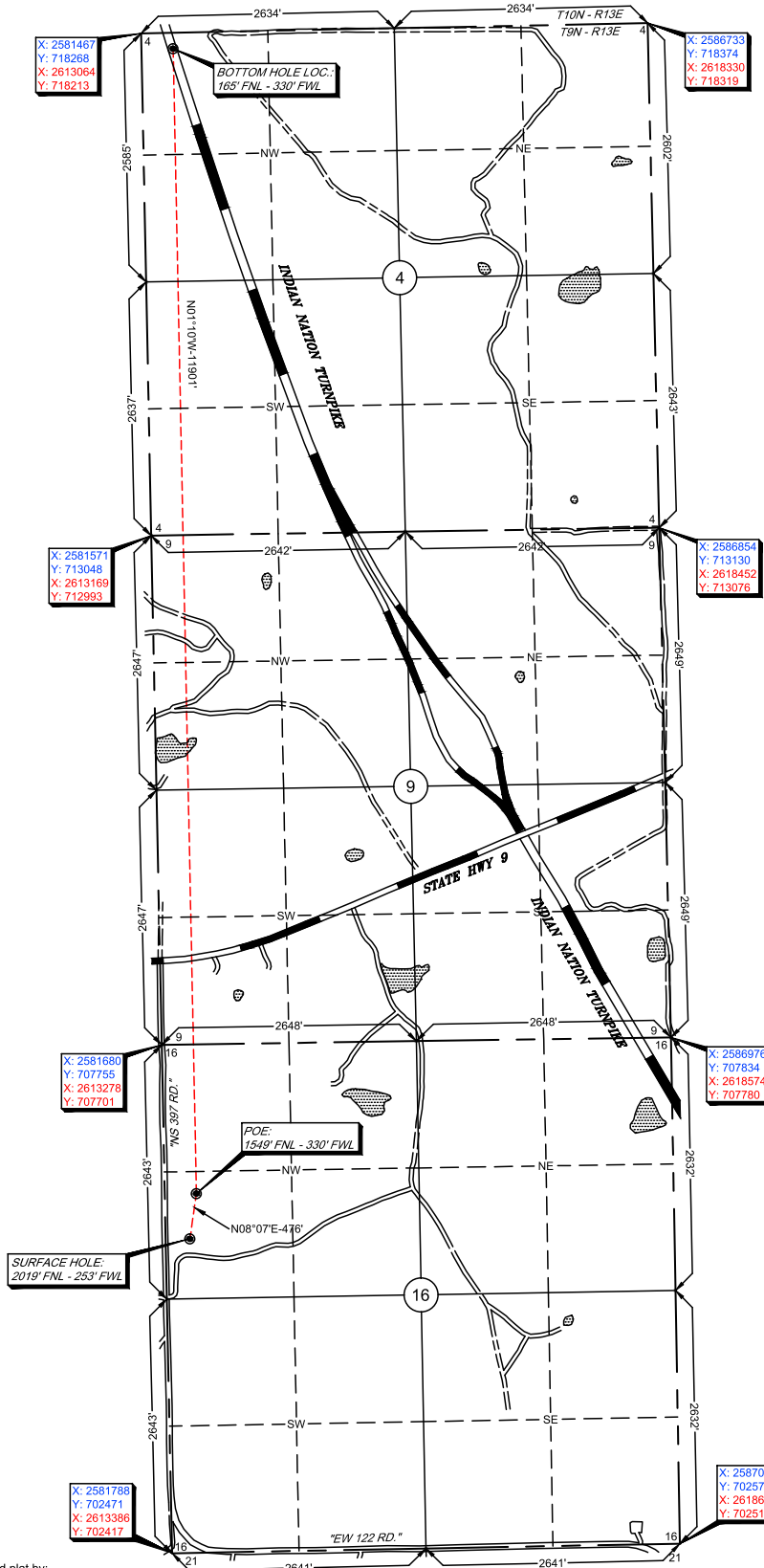
**POE:**  
Lat: 35°15'23.99"N  
Lon: 95°56'41.59"W  
X: 2582041.79  
Y: 706211.03

**POE:**  
Lat: 35°15'23.64"N  
Lon: 95°56'40.59"W  
X: 2613639.45  
Y: 706157.13

**Bottom Hole Loc.:**  
Lat: 35°17'21.70"N  
Lon: 95°56'41.58"W  
X: 2581799.91  
Y: 718109.70

**Bottom Hole Loc.:**  
Lat: 35°17'21.34"N  
Lon: 95°56'40.59"W  
X: 2613397.46  
Y: 718055.14

-Please note that this location was stated on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if you have any questions or concerns. This survey was performed on the ground and the data shown herein 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 lines, or other evidence 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

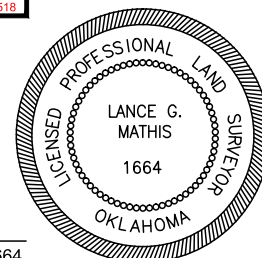
## Certification:

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*  
LANCE G. MATHIS

09/06/18

OK LPLS 1664



Invoice #8032-D  
Date Staked: 08/06/18 By: H.S.  
Date Drawn: 08/14/18 By: J.K.  
Rev. All SHL & POE: 08/27/18 By: J.D.  
Rev. POE: 09/05/18 By: J.K.