

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

API NUMBER: 063 24726

Approval Date: 11/16/2017

Expiration Date: 05/16/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 02 Twp: 8N Rge: 12E County: HUGHES
SPOT LOCATION: ☐ SW ☐ NW ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 935 1518

Lease Name: GRANT Well No: 1-2-35WH Well will be 935 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

GUS BOWIE JR., ET AL C/O HAROLD HEATH LAW
P.O. BOX 472
HOLDENVILLE OK 74848

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

Name	Depth	Name	Depth
1 WOODFORD	4400	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 670063
528613

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201703811
201703812

Special Orders:

Total Depth: 14500 Ground Elevation: 856 Surface Casing: 490 Depth to base of Treatable Water-Bearing FM: 240

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: 17-40001
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 35 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: 3617

Radius of Turn: 477

Direction: 355

Total Length: 10134

Measured Total Depth: 14500

True Vertical Depth: 4400

End Point Location from Lease,

Unit, or Property Line: 165

Notes:

Category

Description

HYDRAULIC FRACTURING

11/14/2017 - 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

PENDING CD - 201703811

11/15/2017 - G57 - (I.O.) 2-8N-12E & 35-9N-12E
EST MULTIUNIT HORIZONTAL WELL
X528613 WDFD 35-9N-12E
X670063 WDFD 2-8N-12E
50% 2-8N-12E
50% 35-9N-12E
CALYX ENERGY III, LLC
REC 10/12/2017 (JOHNSON)

PENDING CD - 201703812

11/15/2017 - G57 - (I.O.) 2-8N-12E & 35-9N-12E
X528613 WDFD 35-9N-12E
X670063 WDFD 2-8N-12E
COMPL. INT. (2-8N-12E) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL
COMPL. INT. (35-9N-12E) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL
CALYX ENERGY III, LLC
REC 10/12/2017 (JOHNSON)

SPACING - 528613

11/15/2017 - G57 - (640) 35-9N-12E
EST OTHERS
EXT OTHERS
EXT 488826 WDFD

SPACING - 670063

11/15/2017 - G57 - (640)(HOR) 2-8N-12E
VAC OTHERS
EST WDFD, OTHERS
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.

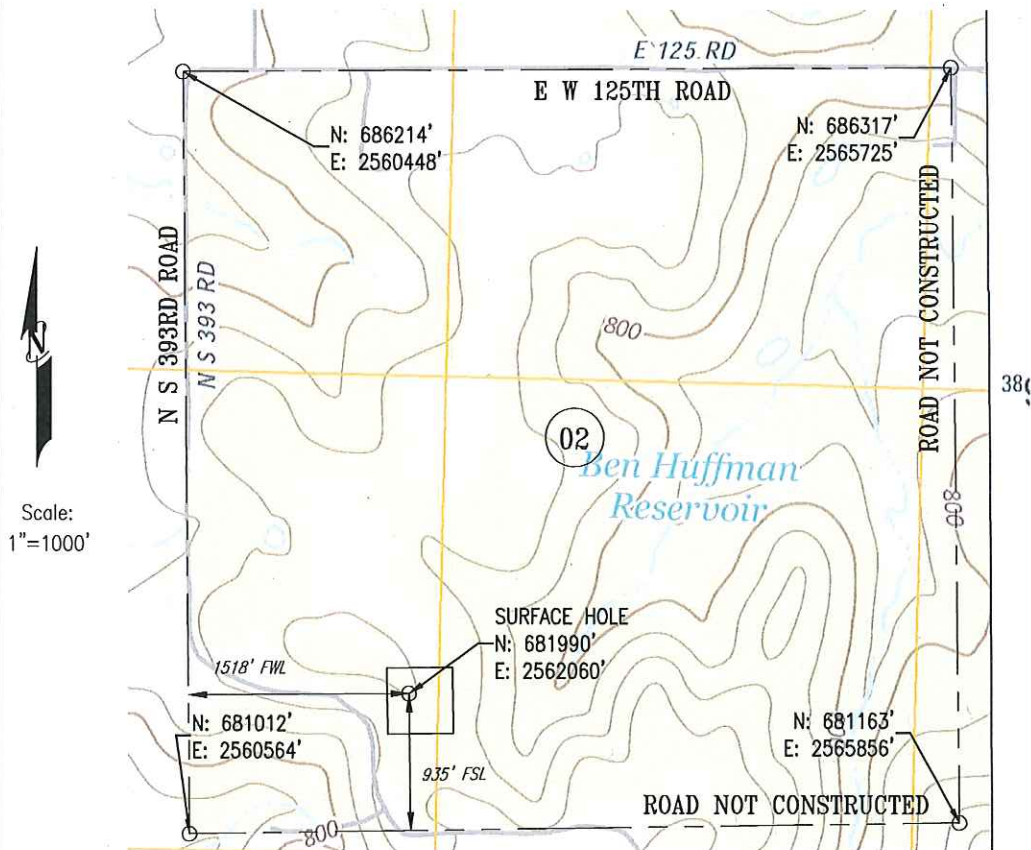
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

063 24726 GRANT 1-2-35WH

PROPOSED WELL LOCATION API 063 24726

Hughes County, Oklahoma

1518' FWL, 935' FSL SW/4 Section 2, Township 8N, Range 12E I.M.



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

Operator: CALYX ENERGY III, LLC

Lease Name: GRANT

Well No.: 1-2-35WH

Topography & Vegetation: LOCATION FELL IN PASTURE LAND

Good Drill Site: YES

Best Accessibility to Location: ALONG COUNTY NS 393RD ROAD

Distance and Direction from Hwy Junction or Town: FROM INTERSECTION OF HWY 9 AND N S 393RD ROAD SOUTH APPROXIMATELY 5 MILES TO THE WELL PAD.

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

ELEVATION: 856' GR. AT STAKE

CERTIFICATE:

W17-016

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 October 19, 2017, the above described well location was surveyed on the ground as shown herein.

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



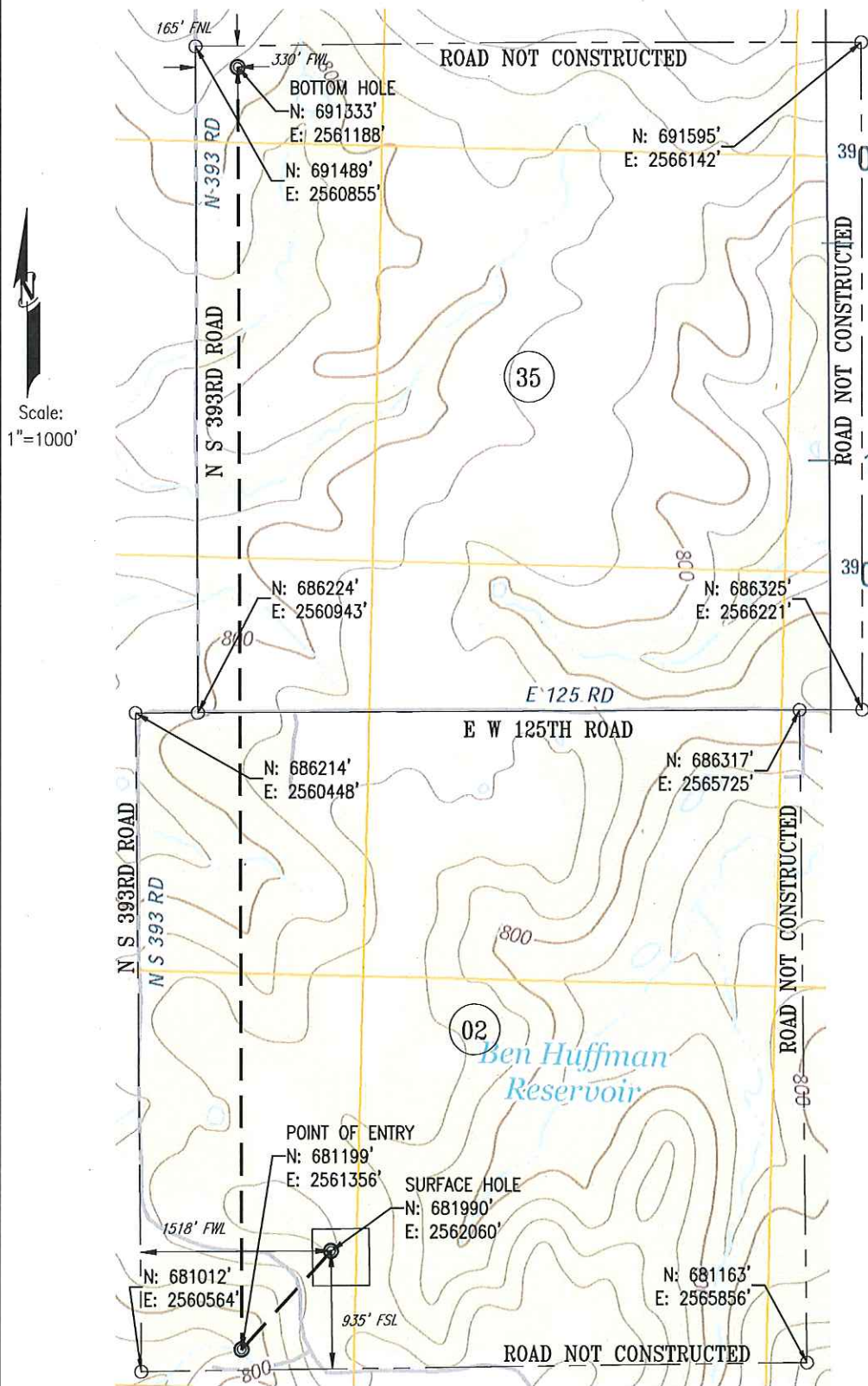
(THE FOLLOWING INFORMATION WAS GATHERED USING A GPS RECEIVER. ACCURACY ±3 FOOT.)

GPS DATUM: NAD-83
LATITUDE: 36°51'23" N
LONGITUDE: 95°58'16" W

STATE PLANE COORDINATES
ZONE: OK SOUTH
X: 2562060
Y: 681990

BOTTOM HOLE EXHIBIT

HUGHES County, Oklahoma Sections 2 & 35, Township 8N & 9N, Range 12E I.M.



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

SURFACE HOLE: 1518' FWL & 935' FSL Sec. 2-T8N-R12E
POINT OF ENTRY: 796' FWL & 165' FSL Sec. 2-T8N-R12E
BOTTOM HOLE: 330' FWL & 165' FNL Sec. 35-T9N-R12E

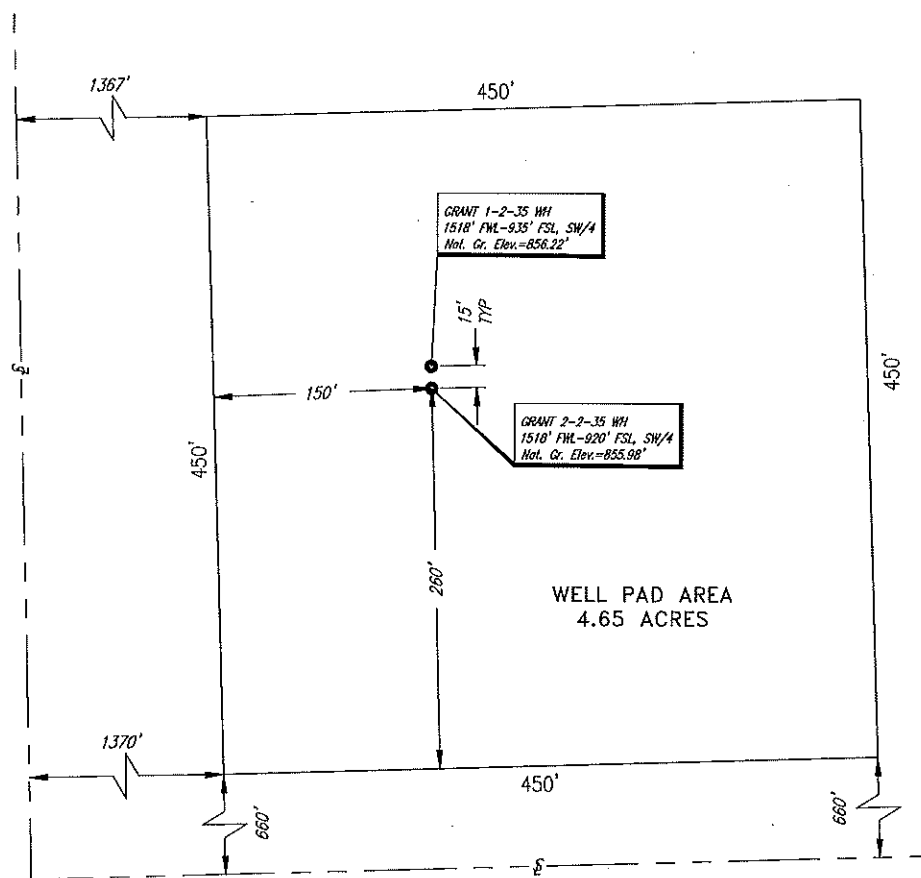


Operator: CALYX ENERGY III, LLC
Well Name: GRANT 1-2-35WH

W17-016

Keystone Engineering
and Land Surveying, Inc.

PROPOSED PAD
 LOCATED IN THE SOUTHWEST QUARTER OF SECTION 2,
 TOWNSHIP 8N, RANGE 12E, HUGHES COUNTY, OKLAHOMA



NOTE: THIS MAP DOES NOT REPRESENT A
 TRUE BOUNDARY SURVEY AND IS NOT
 INTENDED FOR CONVEYANCE PURPOSES.

Scale:
 1"=100'



**Keystone Engineering
 and Land Surveying, Inc.**

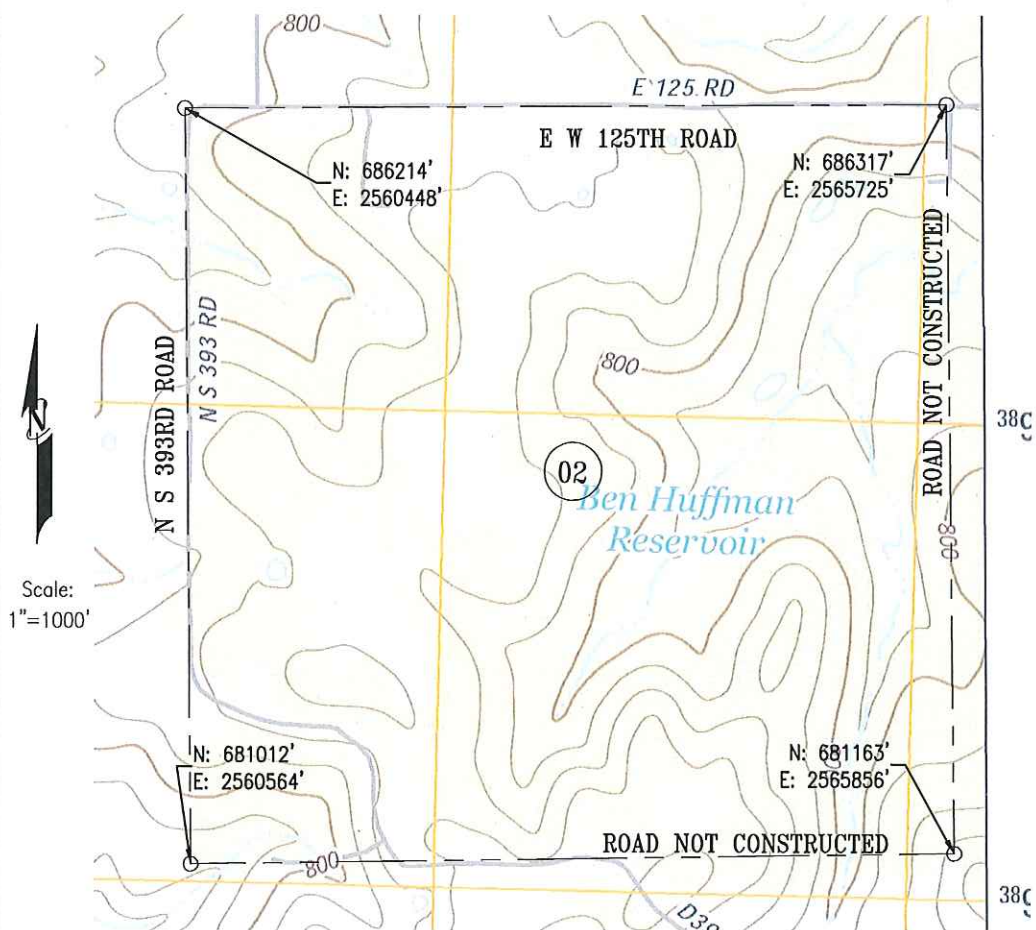
923 SOUTH LOWRY STREET
 POST OFFICE BOX 436
 STILLWATER, OK 74076

PHONE: (405) 743-3355
 FAX: (405) 743-3933
 CA #5877 EXP: 6/30/2019

REV	DATE	DESCRIPTION	BY	APP'D	DATE: 10/2017
					DRAWN BY: BAN
					APPROVED BY: CEH
					SHEET: 1 OF 1
					W17-016

SECTION BREAKDOWN

HUGHES County, Oklahoma Section 2, Township 8N, Range 12E I.M.



Scale:
1"=1000'

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

Operator: CALYX ENERGY III, LLC
Lease Name: GRANT

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

CERTIFICATE:

W17-016

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 October 19, 2017, the above described well location was surveyed on the ground as shown herein.



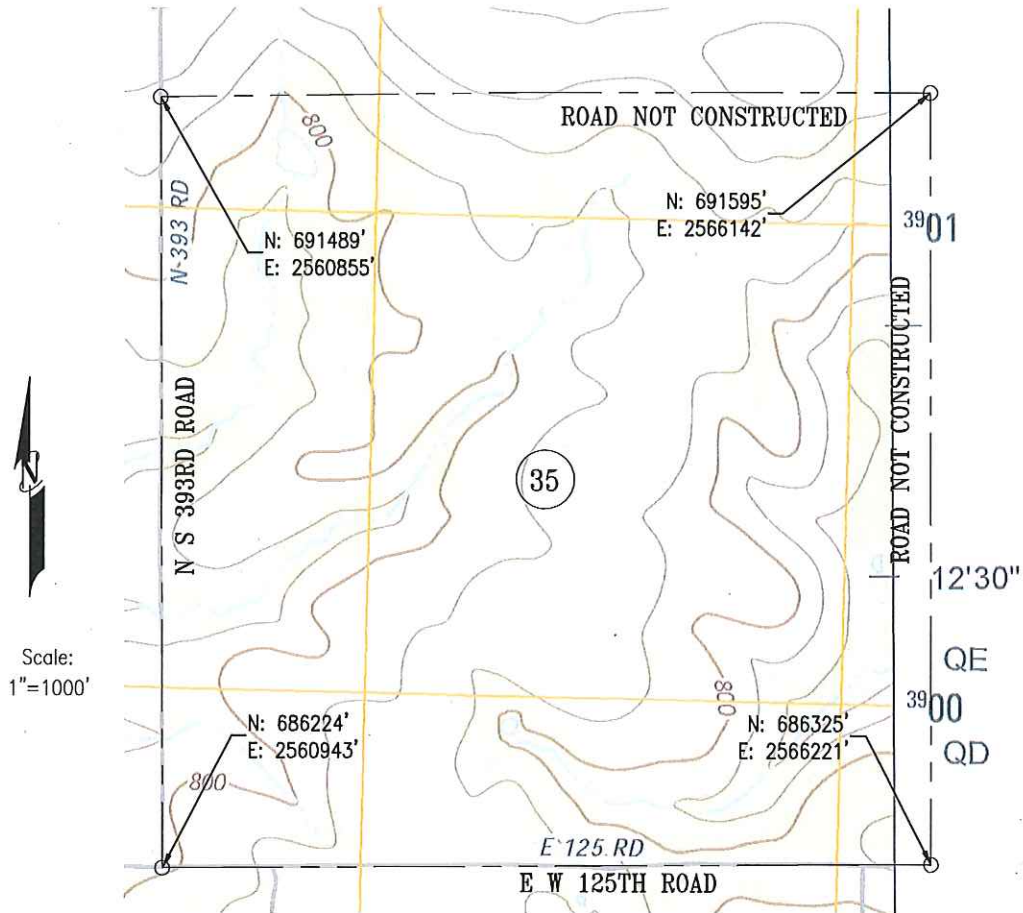
Carey E. Harris, Oklahoma Professional Land Surveyor No. 1719



Keystone Engineering
and Land Surveying, Inc.

SECTION BREAKDOWN

HUGHES County, Oklahoma Section 35, Township 9N, Range 12E I.M.



Scale:
1"=1000'

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

Operator: CALYX ENERGY III, LLC
Lease Name: GRANT

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

CERTIFICATE:

W17-016

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 October 19, 2017, the above described well location was surveyed on the ground as shown herein.

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



Keystone Engineering
and Land Surveying, Inc.