

API NUMBER: 063 24930

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

Approval Date: 06/09/2021
Expiration Date: 12/09/2022

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 21 Township: 8N Range: 12E County: HUGHES

SPOT LOCATION: NW NE NE NE
FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 275 520

Lease Name: POCAHONTAS Well No: 1-15-3WH Well will be 275 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

RICK & NADA BISHOP
8648 E 127 ROAD
WETUMKA OK 74883

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

| | Name | Code | Depth |
|---|----------|---------|-------|
| 1 | MAYES | 353MYES | 4680 |
| 2 | WOODFORD | 319WDFD | 4770 |
| 3 | SYLVAN | 203SLVN | 4821 |

Spacing Orders: 675449 Location Exception Orders: 718461 Increased Density Orders: 718649
671213 717764
686152 717765
716328
718460

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 15500 Ground Elevation: 755

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 60

Deep surface casing has been approved

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

PERMIT NO: 21-37622

H. (Other) SEE MEMO

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

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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.

MULTI UNIT HOLE 1

| | | | | |
|--------------------------------|------------------------|------------|------------------------------------|-----------------------------|
| Section: 3 | Township: 8N | Range: 12E | Meridian: IM | Total Length: 11500 |
| County: HUGHES | | | | Measured Total Depth: 15500 |
| Spot Location of End Point: SE | SW | NW | SW | True Vertical Depth: 6000 |
| Feet From: SOUTH | 1/4 Section Line: 1500 | | End Point Location from | |
| Feet From: WEST | 1/4 Section Line: 400 | | Lease, Unit, or Property Line: 400 | |

NOTES:

| Category | Description |
|-----------------------------|---|
| DEEP SURFACE CASING | [6/3/2021 - G56] - 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 | <p>[6/3/2021 - G56] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p> |
| INCREASED DENSITY - 717764 | <p>[6/4/2021 - G56] - 3-8N-12E X675449 WDFD 3 WELLS CALYX ENERGY III, LLC 4/14/21</p> |
| INCREASED DENSITY - 717765 | <p>[6/4/2021 - G56] - 10-8N-12E X671213 WDFD 3 WELLS CALYX ENERGY III, LLC 4/14/21</p> |
| INCREASED DENSITY - 718649 | <p>[6/4/2021 - G56] - 15-8N-12E X686152 WDFD 1 WELL CALYX ENERGY III, LLC 5/28/2021</p> |
| LOCATION EXCEPTION - 718461 | <p>[6/4/2021 - G56] - (I.O.) 3, 10 & 15-8N-12E X675449 MYES, WDFD, SLVN 3-8N-12E X671213 MYES, WDFD, SLVN 10-8N-12E X686152 MYES, WDFD, SLVN 15-8N-12E*** COMPL INT (15-8N-12E) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL COMPL INT (10-8N-12E) NCT 0' FNL, NCT 0' FSL, NCT 330' FWL COMPL INT (3-8N-12E) NCT 0' FSL, NCT 1800' FSL, NCT 330' FWL CALYX ENERGY III, LLC 5/20/2021</p> <p>*** S/B X686152/716328 MYES, WDFD, SLVN 15-8N-12E; WILL BE CORRECTED AT FINAL HEARING PER ATTORNEY FOR OPERATOR;</p> |
| MEMO | [6/4/2021 - G56] - PIT 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, WBM CUTTINGS CAPTURED IN CONCRETE-LINED PIT, SOLIDIFIED AND HELD UNTIL DISPOSAL; APPROVED BY OCC |
| SPACING - 671213 | <p>[6/3/2021 - G56] - (640)(HOR) 10-8N-12E VAC OTHERS VAC 526241 MSSP, WDFD EST MYES, WDFD, SLVN, OTHER COMPL INT (MYES) NCT 660' FB COMPL INT (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL COMPL INT (SLVN) NCT 330' FB</p> |

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 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.

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|------------------|---|
| SPACING - 675449 | [6/4/2021 - G56] - (640)(HOR) 3-8N-12E VAC 502679 MSSP EXT 671213 MYES, WDFD, SLVN, OTHER COMPL INT (MYES) NCT 660' FB COMPL INT (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL COMPL INT (SLVN) NCT 330' FB (COEXIST WITH SP # 502679 WDFD) |
| SPACING - 686152 | [6/3/2021 - G56] - (640)(HOR) 15-8N-12E VAC 500837 MSSP, WDFD EXT 671213 MYES, WDFD, SLVN, OTHER POE TO BHL (MYES) NLT 600' FB POE TO BHL (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL POE TO BHL (SLVN) NLT 330' FB |
| SPACING - 716328 | [6/3/2021 - G56] - NPT ORDER 686152 CORRECTING PERMITTED WELL LOCATION FOR MYES TO NLT 660' FB |
| SPACING - 718460 | [6/4/2021 - G56] - (I.O.) 3, 10 & 15-8N-12E EST MULTIUNIT HORIZONTAL WELL X675449 MYES, WDFD, SLVN 3-8N-12E X671213 MYES, WDFD, SLVN 10-8N-12E X686152 MYES, WDFD, SLVN 15-8N-12E*** (MYES, SLVN ARE ADJACENT CSS TO WDFD) 10% 3-8N-12E 45% 10-8N-12E 45% 15-8N-12E NO OP NAMED 5/20/2021 *** S/B X686152/716328 MYES, WDFD, SLVN 15-8N-12E; WILL BE CORRECTED AT FINAL HEARING PER ATTORNEY FOR OPERATOR; |