API NUMBER: 063 24619

Horizontal Hole Oil & Gas

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

Approval Date: 10/04/2016
Expiration Date: 04/04/2017

PERMIT TO DRILL

WELL LOCATION: Sec: 36 Twp: 9N Rge: 10E County: HUGHES

SPOT LOCATION: SE NW NE NW FEET FROM QUARTER: FROM **NORTH** FROM **WEST**
SECTION LINES: **550** **1760**

Lease Name: MEADORS **Well No: 25-1HX** **Well will be 550 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

RANDY MEADORS
P O BOX 302
WETUMKA OK 74883

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

	Name	Depth		Name	Depth
1	MISSISSIPPIAN	3530	6		
2	WOODFORD	3800	7		
3			8		
4			9		
5			10		

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201604011
201604012
201604013
201604010

Special Orders:

Total Depth: 14210 Ground Elevation: 723 **Surface Casing: 450** Depth to base of Treatable Water-Bearing FM: 330

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: No

PIT 1 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 ALLUVIAL
Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31672
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 24 Twp 9N Rge 10E 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: 2760

Radius of Turn: 815

Direction: 355

Total Length: 10170

Measured Total Depth: 14210

True Vertical Depth: 3800

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

Notes:

Category	Description
HYDRAULIC FRACTURING	10/3/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK HTTP://FRACFOCUS.ORG/ WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.
PENDING CD - 201604010	10/4/2016 - G64 - (E.O.)(640)(HOR) 25-9N-10E EST MSSP, WDFD, OTHER COMPL. INT. (MSSP) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL REC. 10-4-2016 (JOHNSON)
PENDING CD - 201604011	10/4/2016 - G64 - (E.O.)(640)(HOR) 24-9N-10E EST MSSP, WDFD, OTHER COMPL. INT. (MSSP) NLT 660' FB COMPL. INT. (WDFD) NLT 165' FNL & FSL, NLT 330' FEL & FWL REC. 10-4-2016 (JOHNSON)
PENDING CD - 201604012	10/4/2016 - G64 - (E.O.) 24 & 25-9N-10E EST MULTIUNIT HORIZONTAL WELL X201604011 MSSP, WDFD X201604010 MSSP, WDFD (WDFD ASSOCIATED COMMON SOURCE OF SUPPLY TO MSSP) 50% 24-9N-10E 50% 25-9N-10E NO OP. NAMED REC. 10-4-2016 (JOHNSON)
PENDING CD - 201604013	10/4/2016 - G64 - (E.O.) 24 & 25-9N-10E X201604011 MSSP, WDFD X201604010 MSSP, WDFD SHL (36-9N-10E) 500' FNL, 1775' FWL ** COMPL. INT. (25-9N-10E) NCT 165' FSL, NCT 0' FNL, NCT 660' FWL COMPL. INT. (24-9N-10E) NCT 0' FSL, NCT 165' FNL, NCT 660' FWL NO OP. NAMED REC. 10-4-2016 (JOHNSON) **S/B 550' FNL, 1760' FWL PER ITD; TO BE CORRECTED AT HEARING FOR FINAL ORDER PER OPERATOR

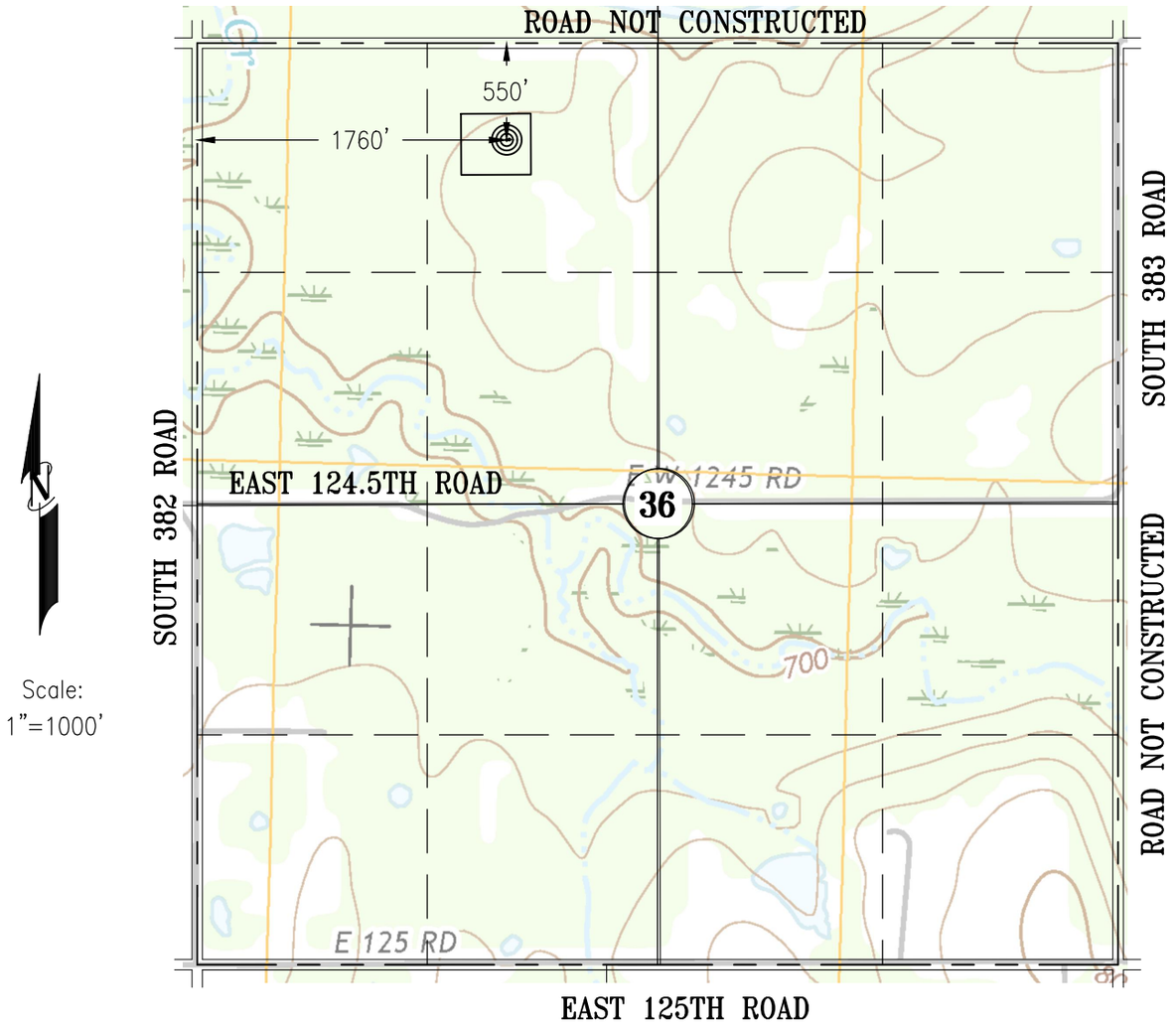
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the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

PROPOSED WELL LOCATION

Hughes County, Oklahoma

1760' FWL, 550' FNL NW/4 Section 36, Township 09N, Range 10E I.M.

API: 063 24619



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'

ELEVATION:
723' GR. AT STAKE

Operator: CALYX ENERGY III, LLC

Lease Name: MEADORS Well No.: 25-1 HX

Topography & Vegetation: LOCATION FELL IN PASTURE LAND

Good Drill Site: YES

Best Accessibility to Location: FROM SOUTH

Distance and Direction from Hwy Junction or Town: FROM THE INTERSECTION OF EAST 124 ROAD AND STATE HIGHWAY 75 EAST 2.3 MILES TO WELL PAD

Keystone Engineering and Land Surveying, Inc. CA #5877 Exp. 6/30/17 P.O. Box 436 Stillwater, OK. 74076 Ph. (405) 743-3355

LICENSED PROFESSIONAL LAND SURVEYOR
Carey E Harris
1719
OKLAHOMA

CERTIFICATE:

W16-004
REVISED 10/03/16

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 27th, 2016, the above described well location was surveyed on the ground as shown herein.

3-04-16

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°12'58" N
LONGITUDE: 96°12'19" W

STATE PLANE COORDINATES
ZONE: OK SOUTH
X: 2504554
Y: 689929