

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

API NUMBER: 119 24039

Approval Date: 02/26/2013
Expiration Date: 08/26/2013

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 19N Rge: 4E County: PAYNE
SPOT LOCATION: NW NW NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 300 1070

Lease Name: PENNY Well No: 29-2MH Well will be 300 feet from nearest unit or lease boundary.
Operator Name: CALYX ENERGY LLC Telephone: 9189494224 OTC/OCC Number: 22299 0

CALYX ENERGY LLC
10820 E 45TH ST STE 208
TULSA, OK 74146-3807

DIXIE LEE CARL
503 S. CIMARRON AVE.
DRUMRIGHT OK 74030

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

Name	Depth	Name	Depth
1	MISSISSIPPIAN	3970	6
2			7
3			8
4			9
5			10

Spacing Orders: 598795

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201300891

Special Orders:

Total Depth: 8772

Ground Elevation: 957

Surface Casing: 260

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: 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: OSCAR

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 13-22548

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR OPTION

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 29 Twp 19N Rge 4E County PAYNE

Spot Location of End Point: S2 SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 3335

Radius of Turn: 1195

Direction: 180

Total Length: 4242

Measured Total Depth: 8772

True Vertical Depth: 3970

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

Notes:

Category	Description
PENDING CD - 201300891	2/25/2013 - G30 - 29-19N-4E X598795 MSSP SHL 300 FNL, 1070 FEL 1ST PERF NCT 330 FNL, NCT 330 FEL LAST PERF NCT 165 FSL, NCT 330 FEL NO OP. NAMED REC 2/25/13 (NORRIS)
SPACING - 598795	2/25/2013 - G30 - (640 HOR) 29-19N-4E DEL 115409/117317 MISS, OTHERS EST MSSP, OTHERS POE TO BHL: NCT 660' FB (SUPERCEDE EXISTING NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)