

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

API NUMBER: 137 27504

Approval Date: 10/18/2017

Expiration Date: 04/18/2018

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 35 Twp: 1N Rge: 5W

County: STEPHENS

SPOT LOCATION: ☐ NE ☐ NW ☐ NW ☐ NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 200 500

Lease Name: PRAIRIE DALE

Well No: 1-35HW

Well will be 200 feet from nearest unit or lease boundary.

Operator Name: CITATION OIL & GAS CORPORATION

Telephone: 2818911000; 2818911

OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION
PO BOX 690688
HOUSTON, TX 77269-0688

LLOYD & SHEILA ELY
297297 E. 1730 RD.
DUNCAN OK 73533

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

| | Name | Depth | Name | Depth |
|---|----------|-------|------|-------|
| 1 | SYCAMORE | 11892 | 6 | |
| 2 | WOODFORD | 12422 | 7 | |
| 3 | HUNTON | 12922 | 8 | |
| 4 | | | 9 | |
| 5 | | | 10 | |

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201705792
201705794

Special Orders:

Total Depth: 17372

Ground Elevation: 1072

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 620

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: 3500 Average: 2500

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: PURCELL

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 17-33001
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 1N Rge 5W County STEPHENS

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 500

Depth of Deviation: 11770

Radius of Turn: 750

Direction: 180

Total Length: 4424

Measured Total Depth: 17372

True Vertical Depth: 12923

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

Notes:

| Category | Description |
|------------------------|---|
| DEEP SURFACE CASING | 10/9/2017 - G71 - 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 | 10/6/2017 - G58 - 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 - 201705792 | 10/18/2017 - G58 - (640) 35-1N-5W EXT 611170 SCMR, WDFD, HNTN, OTHERS REC. 9/25/2017 (M. PORTER) |
| PENDING CD - 201705794 | 10/18/2017 - G58 - (I.O.) 35-1N-5W X201705792 SCMR, WDFD, HNTN, OTHERS COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL NO OP. NAMED REC. 9/25/2017 (M. PORTER) |
| WATERSHED STRUCTURE | 10/6/2017 - G58 - WELL WITHIN 1/2 MILE OF AN OKLAHOMA CONSERVATION COMMISSION WATERSHED STRUCTURE. CONTACT THE LOCAL CONSERVATION DISTRICT OFFICE AT (580) 255-5798 PRIOR TO DRILLING |

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137 27504 PRAIRIEDALE 1-35HW

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

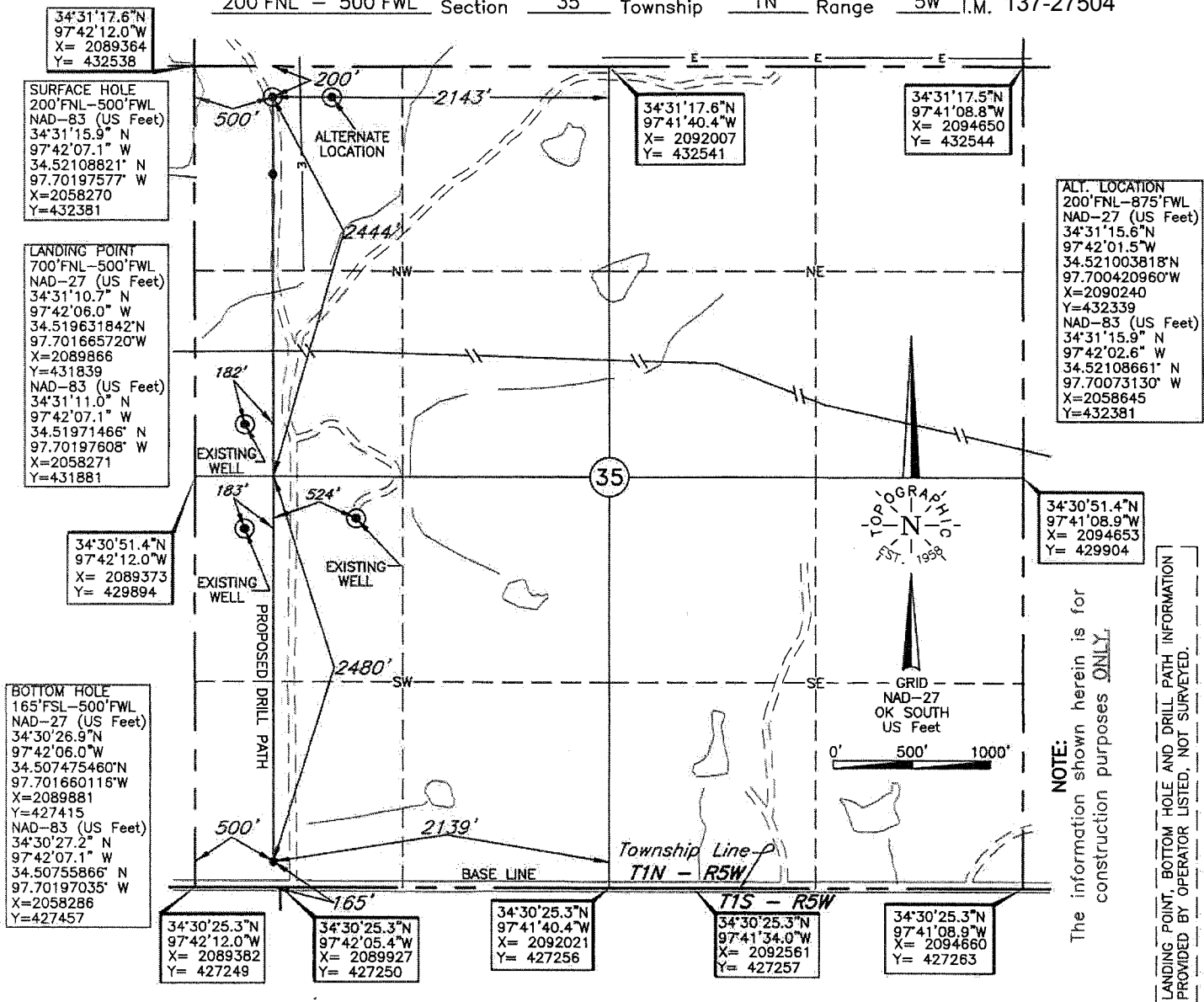
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS

STEPHENS

County, Oklahoma

200'FNL - 500'FWL Section 35 Township 1N Range 5W I.M. 137-27504



NOTE: The information shown herein is for construction purposes ONLY.

LANDING POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

Operator: CITATION OIL & GAS CORP.

Lease Name: PRAIRIE DALE

Well No.: 1-35HW

ELEVATION:

1072' Gr. at Stake

Topography & Vegetation Loc. fell in grass pasture, ±178' West of power line; Alt. Loc. fell on NW hillside, ±197' East of power line

Good Drill Site? Yes; Alt. Yes Reference Stakes or Alternate Location Stakes Set Alt. 200'FNL-875'FWL; Elev. 1082' Gr.

Best Accessibility to Location From South off county road

Distance & Direction from Hwy Jct or Town From Velma, OK, go ±3.5 mi. West. then ±2.0 mi. North, then ±0.5 mi. East, then ±1.0 mi. North, then ±1.5 mi. East to the SW Cor. of Sec. 35-T1N-R5W

Revision ☒ A Date of Drawing: Jul. 17, 2017

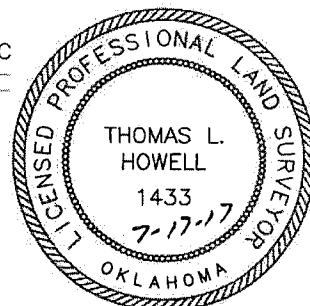
Invoice # 278438 Date Staked: Jul. 12, 2017

AC

CERTIFICATE:

I, Thomas L. Howell on Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein

Thomas L. Howell
Oklahoma Lic. No. 1433



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.

DATUM: NAD-27
LAT: 34°31'15.6" N
LONG: 97°42'06.0" W
LAT: 34.521005423' N
LONG: 97.701665397' W
STATE PLANE COORDINATES: (US Feet)
ZONE: OK SOUTH
X: 2089865
Y: 432339