

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

API NUMBER: 039 22550

Approval Date: 08/13/2018

Expiration Date: 02/13/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 05 Twp: 14N Rge: 16W County: CUSTER

SPOT LOCATION: ☐ NE ☐ NW ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 270 830

Lease Name: TRIPLE J

Well No: 1H-32-29

Well will be 270 feet from nearest unit or lease boundary.

Operator Name: CITIZEN ENERGY III LLC

Telephone: 9189494680

OTC/OCC Number: 24120 0

CITIZEN ENERGY III LLC
320 S BOSTON AVE STE 900
TULSA, OK 74103-3729

JOSEPH HAYES
8607 NORTH 2290 ROAD
CUSTER CITY OK 73639

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	14500	6	
2	WOODFORD	15300	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201805314
201805315

Special Orders:

Total Depth: 25133

Ground Elevation: 1774

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 430

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: RUSH SPRINGS

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

PERMIT NO: 18-35044

H. SEE MEMO

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.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 29 Twp 15N Rge 16W County CUSTER

Spot Location of End Point: N2 N2 NE NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 660

Depth of Deviation: 14318

Radius of Turn: 382

Direction: 2

Total Length: 10215

Measured Total Depth: 25133

True Vertical Depth: 15300

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

Additional Surface Owner	Address	City, State, Zip
RUTH KILLMAN	8607 N. 2290 ROAD	CUSTER CITY, OK 73639
JEANNIE TATE	8607 N. 2290 RD.	CUSTER CITY, OK 73639

Notes:

Category

Description

COMPLETION INTERVAL

8/13/2018 - G75 - COMPLETION INTERVAL FOR WOODFORD WILL BE GREATER THAN 165' FNL AND FSL, GREATER THAN 330' FEL AND FWL 32 & 29-15N-16W PER OPERATOR

DEEP SURFACE CASING

8/10/2018 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

8/10/2018 - 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: OCCWEB.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

MEMO

8/10/2018 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - HORSE CREEK); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.

039 22550 TRIPLE J 1H-32-29

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.

Category	Description
PENDING CD - 201805314	8/13/2018 - G75 - (E.O.)(1280)(HOR) 32 & 29-15N-16W VAC OTHER VAC 70362 MRMC VAC 199996 CSTR EST MSSP, WDFD, OTHER POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' TO NL & SL, NCT 330' TO EL & WL CITIZEN ENERGY III, LLC REC 8-10-2018 (JOHNSON)
PENDING CD - 201805315	8/13/2018 - G75 - (E.O.) 32 & 29-15N-16W X201805314 MSSP, OTHER COMPL. INT. (32-15N-16W) NCT 165' TO SL, NCT 0' TO NL, NCT 330' TO EL COMPL. INT. (29-15N-16W) NCT 0' TO SL, NCT 165' TO NL, NCT 330' TO EL CITIZEN ENERGY III, LLC REC 8-10-2018 (JOHNSON)
SURFACE CASING	8/10/2018 - G71 - MIN. 500' PER ORDER # 42589



Well Location Plat

S.H.L. Sec. 5-14N-16W I.M.
B.H.L. Sec. 29-15N-16W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: TRIPLE J 1H-32-29
Footage: 270' FNL - 830' FEL Gr. Elevation: 1774'
Section: 5 Township: 14N Range: 16W I.M.
County: Custer State of Oklahoma
Terrain at Loc.: Location fell in a pasture.

API 039-22550



All bearings shown
are grid bearings.

0' 750' 1500' 2250'
1" = 1500'

GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°43'28.76"N
Lon: 98°55'07.33"W
Lat: 35.72465455
Lon: -98.91870406
X: 1695806
Y: 265077

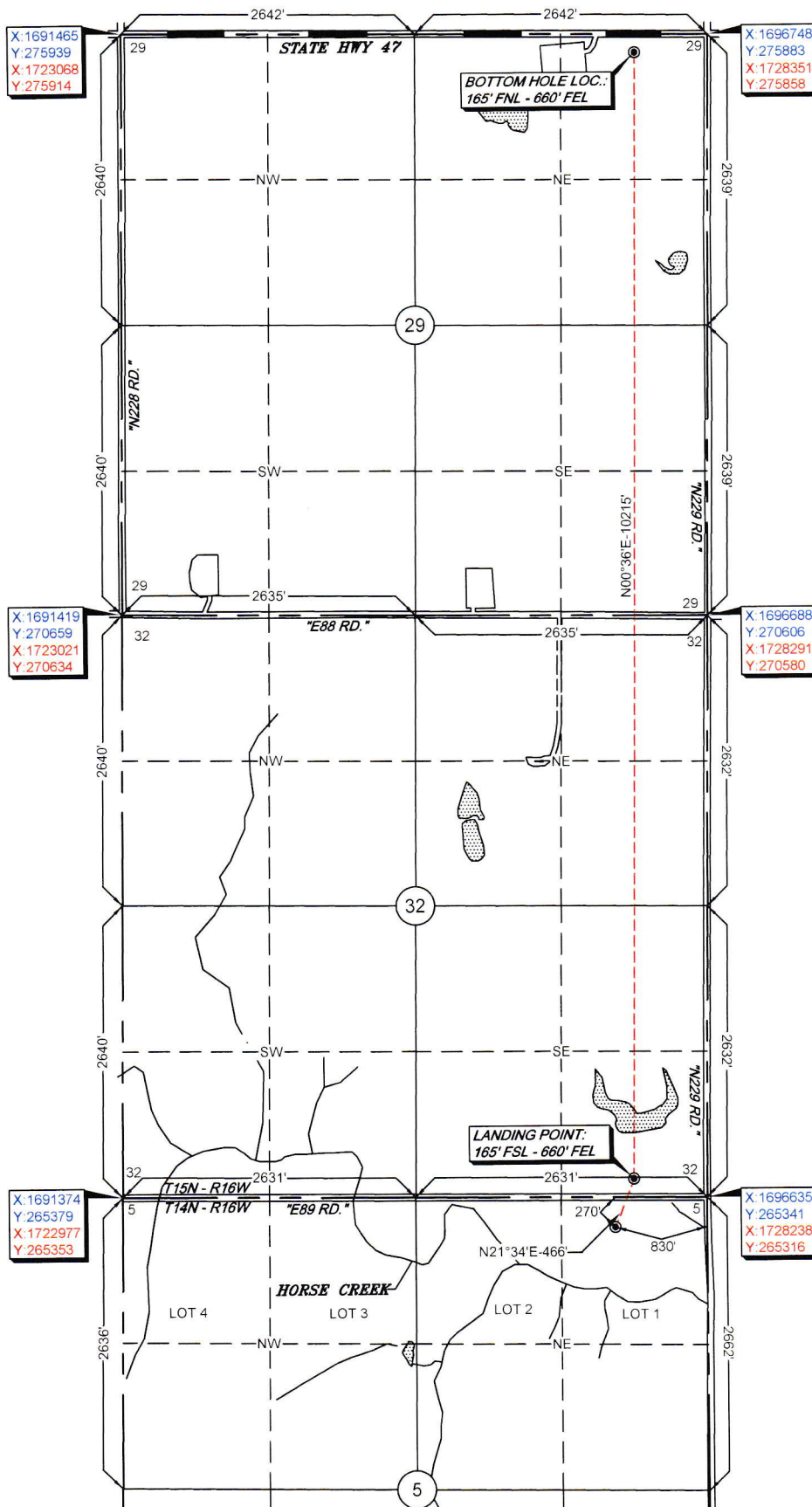
Surface Hole Loc.:
Lat: 35°43'28.58"N
Lon: 98°55'06.01"W
Lat: 35.72460647
Lon: -98.91833672
X: 1727408
Y: 265052

Landing Point:
Lat: 35°43'33.06"N
Lon: 98°55'05.30"W
Lat: 35.72585064
Lon: 98.91813994
X: 1695977
Y: 265511

Landing Point:
Lat: 35°43'32.89"N
Lon: 98°55'03.98"W
Lat: 35.72580257
Lon: 98.91777257
X: 1727580
Y: 265485

Bottom Hole Loc.:
Lat: 35°45'14.09"N
Lon: 98°55'05.15"W
Lat: 35.75391266
Lon: 98.91809759
X: 1696086
Y: 275725

Bottom Hole Loc.:
Lat: 35°45'13.91"N
Lon: 98°55'03.83"W
Lat: 35.75386496
Lon: 98.91772936
X: 1727689
Y: 275700



-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.
-Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2018

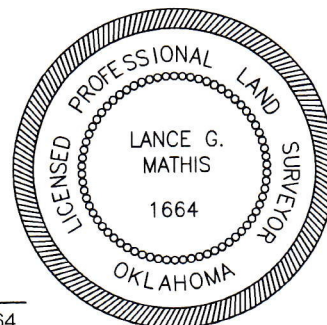
Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

LANCE G. MATHIS

05/25/18

OK LPLS 1664



Invoice #7857-B

Date Staked: 05/17/18 By: J.W.
Date Drawn: 05/18/18 By: K.B.
Add LP & BHL: 05/23/18 By: K.B.