

API NUMBER: 017 25830

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

Approval Date: 07/20/2022

Expiration Date: 01/20/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 07 Township: 11N Range: 9W County: CANADIAN

SPOT LOCATION: ☐ SW ☐ SW ☐ SW ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 2400 285

Lease Name: EARLES RANCH Well No: 3H-7-18 Well will be 285 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

RICKEY L. EARLES
18082 CADDO HIGHWAY 37
HINTON OK 73047

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	13250
2	WOODFORD	319WDFD	13350

Spacing Orders: 725877

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202202646
202202647
202202648
202202645

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 18700

Ground Elevation: 1450

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 390

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:

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

PERMIT NO: 22-38369

H. (Other)

SEE MEMO

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: RUSH SPRINGS

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

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: 18	Township: 11N	Range: 9W	Meridian: IM	Total Length: 5352	
	County: CANADIAN			Measured Total Depth: 18700	
Spot Location of End Point: N2	N2	N2	SW	True Vertical Depth: 13350	
Feet From: SOUTH		1/4 Section Line: 2600		End Point Location from	
Feet From: WEST		1/4 Section Line: 1320		Lease, Unit, or Property Line: 1320	

NOTES:

Category	Description
DEEP SURFACE CASING	[7/19/2022 - GC2] - 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>[7/19/2022 - GC2] - 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: OCCWEB.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>
MEMO	[7/19/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202202645	<p>[7/20/2022 - GB1] - (E.O.) 7 & 18-11N-9W EST MULTIUNIT HORIZONTAL WELL X725877 MSSP, WDFD (WDFD ADJ CSS TO MSSP) 33% 7-11N-9W 67% 18-11N-9W CITIZEN ENERGY III, LLC REC 7/18/2022 (MOORE)</p>
PENDING CD - 202202646	<p>[7/20/2022 - GB1] - (E.O.) 7 & 18-11N-9W X725877 MSSP, WDFD COMPL INT (7-11N-9W) NCT 2000' FNL, NCT 0' FSL, NCT 1000' FWL COMPL INT (18-11N-9W) NCT 165' FSL, NCT 0' FNL, NCT 1000' FWL CITIZEN ENERGY III, LLC REC 7/18/22 (MOORE)</p>
PENDING CD - 202202647	<p>[7/20/2022 - GB1] - (E.O.) 7-11N-9W X725877 MSSP 1 WELL CITIZEN ENERGY III, LLC REC 7/18/2022 (MOORE)</p>
PENDING CD - 202202648	<p>[7/20/2022 - GB1] - (E.O.) 18-11N-9W X725877 MSSP 1 WELL CITIZEN ENERGY III, LLC REC 7/18/2022 (MOORE)</p>
SPACING - 725877	<p>[7/20/2022 - GB1] - (640)(HOR) 7 & 18-11N-9W EST MSSP, WDFD COMPL INT (MSSP) NCT 660' FB COMPL INT (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL</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.