

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

API NUMBER: 017 25433

Approval Date: 03/27/2019

Expiration Date: 09/27/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 12N Rge: 9W

County: CANADIAN

SPOT LOCATION: ☐ SW ☐ NE ☐ NW ☐ NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 565 685

Lease Name: CHILES

Well No: 1H-15-10

Well will be 565 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

WILLIAM CHESTER CHILES III
P.O. BOX 267
MINCO OK 73059

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	11900	6	
2			7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201901272
201901273

Special Orders:

Total Depth: 22335

Ground Elevation: 1475

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 220

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: MARLOW

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

PERMIT NO: 19-36357

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: MARLOW

HORIZONTAL HOLE 1

Sec 10 Twp 12N Rge 9W County CANADIAN

Spot Location of End Point: N2 N2 NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 660

Depth of Deviation: 11224

Radius of Turn: 573

Direction: 359

Total Length: 10211

Measured Total Depth: 22335

True Vertical Depth: 11950

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

Notes:

Category

Description

DEEP SURFACE CASING

3/13/2019 - 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

3/13/2019 - 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: 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

MEMO

3/13/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201901272

3/25/2019 - GA8 - (E.O.)(1280)(HOR) 10 & 15-12N-9W
VAC 521653 MISS 15-12N-9W
EST MSSP
POE TO BHL NLT 660' FB
(COEXIST SP. ORDER #651574 MSSP 10-12N-9W)
REC. 3/12/2019 (JOHNSON)

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.

017 25433 CHILES 1H-15-10

Category

PENDING CD - 201901273

Description

3/25/2019 - GA8 - (E.O.) 15 & 10-12N-9W
X201901273 MSSP
COMPL. INT (15-12N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL
COMPL. IINT. (10-12N-9W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL
CITIZEN ENERGY III, LLC
REC 3/12/2019 (JOHNSON)

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Office of the Conservation Division as to when Surface Casing will be run.



Well Location Plat

S.H.L. Sec. 22-12N-9W I.M.
B.H.L. Sec. 10-12N-9W I.M.

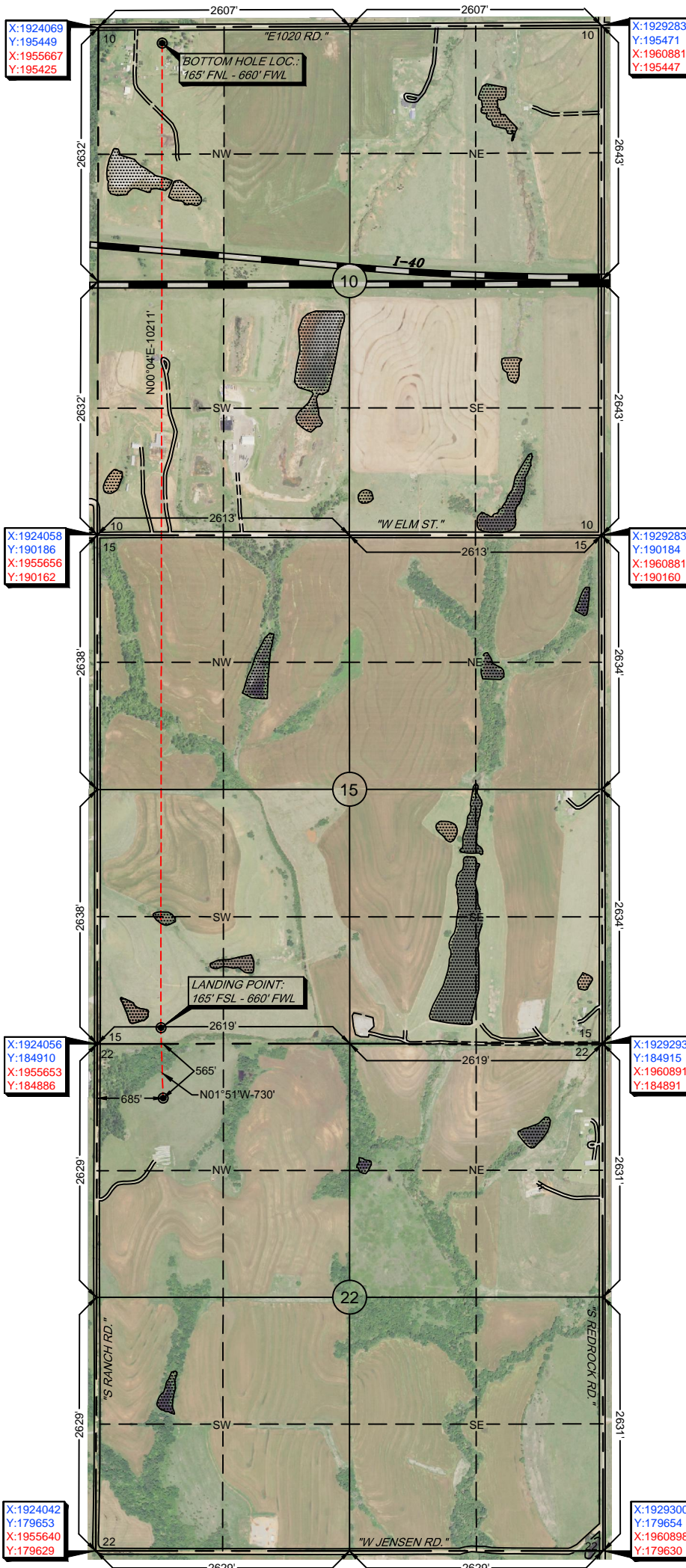
Operator: CITIZEN ENERGY, LLC
Lease Name and No.: CHILES 1H-15-10 35-017-25433
Footage: 565' FNL - 685' FWL Gr. Elevation: 1475'
Section: 22 Township: 12N Range: 9W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in an open field with hills to the Southeast.



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°30'22.77"N
Lon: 98°08'49.28"W
Lat: 35.50632557
Lon: -98.14702226
X: 1924739
Y: 184346
Surface Hole Loc.:
Lat: 35°30'22.59"N
Lon: 98°08'48.08"W
Lat: 35.50627379
Lon: -98.14668979
X: 1956337
Y: 184322
Landing Point:
Lat: 35°30'29.99"N
Lon: 98°08'49.58"W
Lat: 35.50833082
Lon: -98.14710502
X: 1924716
Y: 185076
Landing Point:
Lat: 35°30'29.80"N
Lon: 98°08'48.38"W
Lat: 35.50827911
Lon: -98.14677251
X: 1956314
Y: 185052
Bottom Hole Loc.:
Lat: 35°32'10.98"N
Lon: 98°08'49.60"W
Lat: 35.53638218
Lon: -98.14711215
X: 1924729
Y: 195287
Bottom Hole Loc.:
Lat: 35°32'10.79"N
Lon: 98°08'48.40"W
Lat: 35.53633126
Lon: -98.14677913
X: 1956327
Y: 195263



-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, 2020

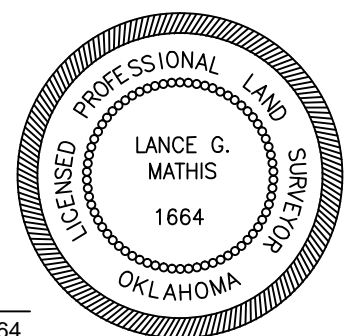
Certification:

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

03/11/19

OK LPLS 1664



Invoice #8523-A

Date Staked: 03/05/19 By: D.W.
Date Drawn: 03/08/19 By: C.K.



Well Location Plat

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B.H.L. Sec. 10-12N-9W I.M.

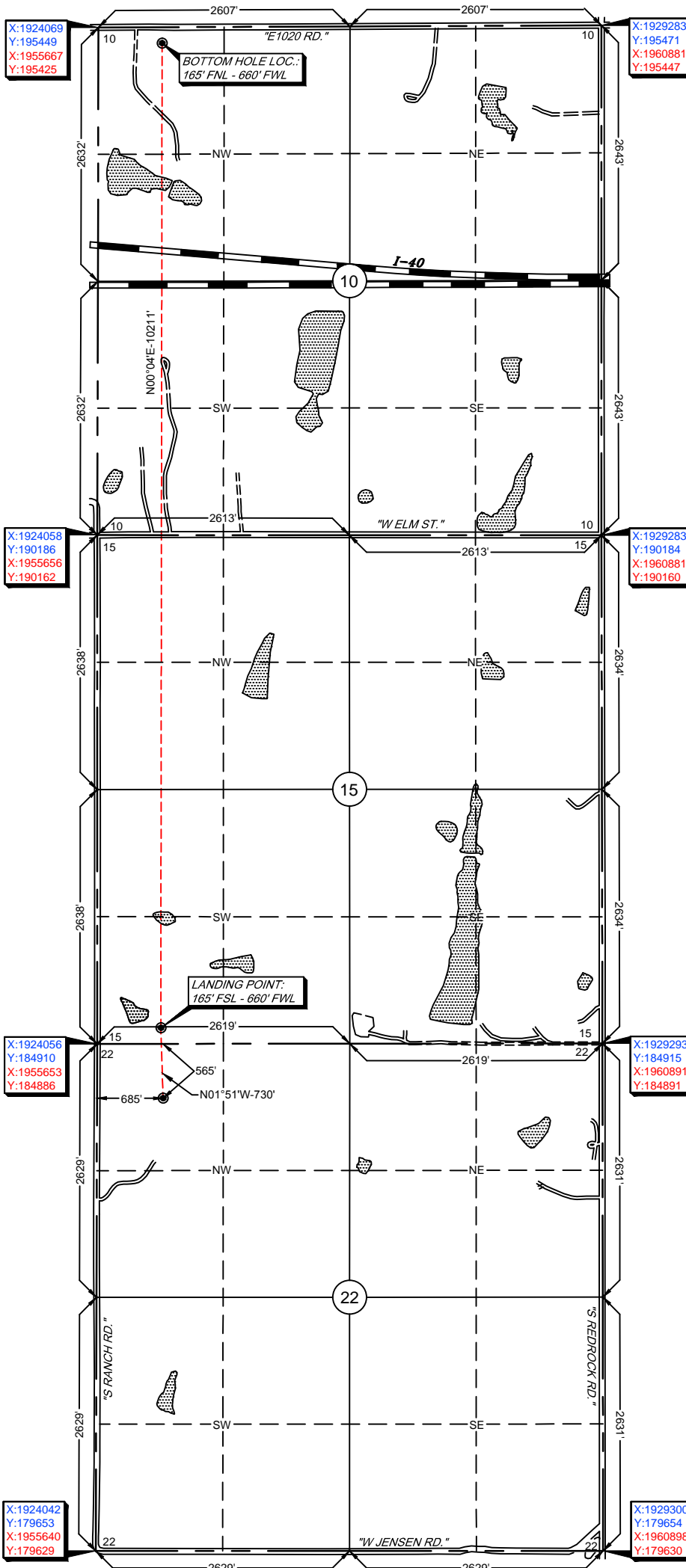
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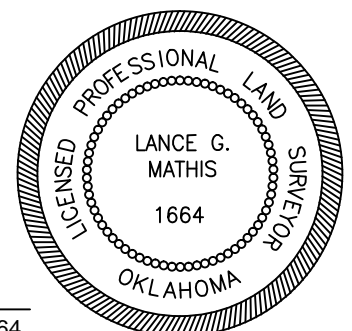
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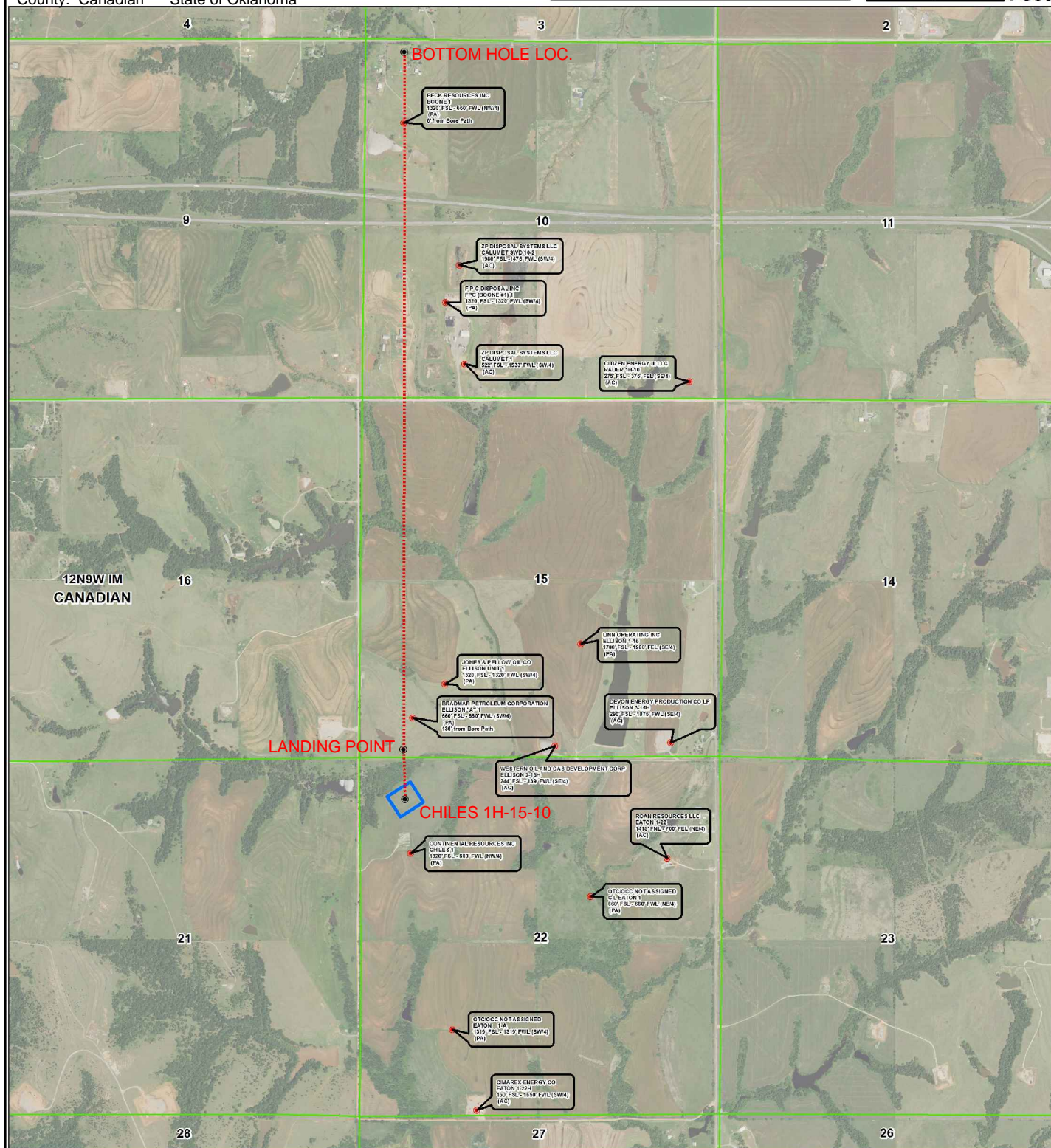
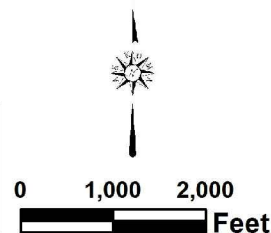


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Bottom Hole Location: 165' FNL - 660' FWL
Sec. 10 Twp. 12N Rng. 9W I.M.
County: Canadian State of Oklahoma





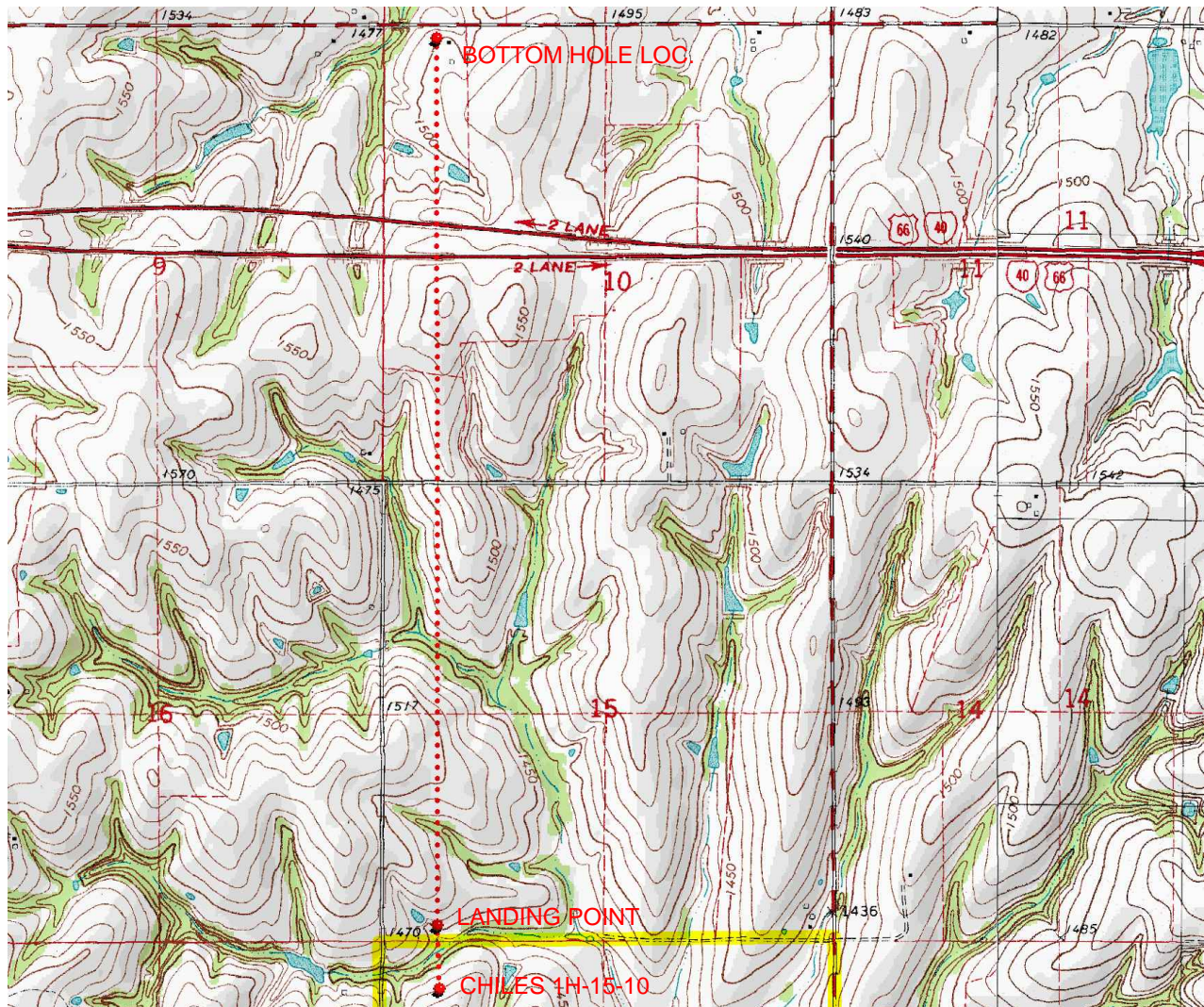
Topographic Vicinity Map

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Sec. 10 Twp. 12N Rng. 9W I.M.
County: Canadian State of Oklahoma



Scale 1" = 2000'
Contour Interval: 10'

Ground Elevation at Surface Hole Location: 1475'



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Expires June 30, 2020

Date Staked: 03/05/19

The purpose of this map is to verify the location and elevation as staked on the ground and to show the surrounding Topographic features. The footage shown hereon is only as SCALED onto a U.S.G.S. Topographic Map.

Please note that this location was staked carefully on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed.

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