

API NUMBER: 017 25513 B

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

Approval Date: 08/28/2019
Expiration Date: 02/28/2021

Multi Unit Oil & Gas

Amend reason: CHANGE OPERATOR, CHANGE WELL NAME,
AND UPDATE ORDERS

AMEND PERMIT TO DRILL

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

SPOT LOCATION: FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 270 305

Lease Name: HONEY SPRINGS Well No: 1H-2-35 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

SAMELIA HIEBERT
PO BOX 492
MUSTANG OK 73064

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

	Name	Code	Depth
1	MISSISSIPPI LIME	351MSSLM	11850
2	MISSISSIPPIAN	359MSSP	12078
3	WOODFORD	319WDFD	12403

Spacing Orders: 691755 Location Exception Orders: 700779 Increased Density Orders: 706971
194956
700778

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 22684 Ground Elevation: 1368 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 280

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: 19-36358
H. 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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: DOG CREEK

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: DOG CREEK

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: 35	Township: 12N	Range: 9W	Total Length: 10146	
County: CANADIAN			Measured Total Depth: 22684	
Spot Location of End Point: NW	NE	NE	True Vertical Depth: 12695	
Feet From: NORTH	1/4 Section Line: 50		End Point Location from	
Feet From: EAST	1/4 Section Line: 380		Lease, Unit, or Property Line: 50	

NOTES:	
Category	Description
DEEP SURFACE CASING	7/31/2019 - 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	7/31/2019 - 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: 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
INCREASED DENSITY - 706971 (201706420)	5/12/2020 - GC2 - 35-12N-9W X194956 MSSLM, WDFD, OTHER 2 WELLS NO OP. NAMED 12-31-2019
LOCATION EXCEPTION - 700779	8/23/2019 - GC0 - (I.O.) 2-11N-9W & 35-12N-9W X691755 MSSP, WDFD 2-11N-9W X194956 MSSLM, WDFD 35-12N-9W COMPL. INT. (2-11N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (35-12N-9W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL CAMINO NATURAL RESOURCES, LLC*** 8/14/2019 ***S/B CITIZEN ENERGY III LLC; WILL BE CORRECTED AT FINAL HEARING BY ATTORNEY FOR OPERATOR
MEMO	7/31/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 194956	8/23/2019 - GC0 - (640) 35-12N-9W EXT OTHERS EXT 126545/183528 MSSLM EXT 138433/183528 WDFD, OTHER
SPACING - 691755	8/22/2019 - GC0 - (640)(HOR) 2-11N-9W EST MSSP, WDFD, OTHER COMPL. INT. (MSSP) NCT 660 FB COMPL. INT. (WDFD) NCT 165' FNL, NCT 330' FEL & FWL
SPACING - 700778	8/23/2019 - GC0 - (I.O.) 2-11N-9W & 35-12N-9W EST MULTIUNIT HORIZONTAL WELL X691755 MSSP, WDFD 2-11N-9W X194956 MSSLM, WDFD 35-12N-9W (WDFD IS AN ADJACENT COMMON SOURCE OF SUPPLY TO MSSP 2-11N-9W, MSSLM 35-12N-9W) 50% 2-11N-9W 50% 35-12N-9W CAMINO NATURAL RESOURCES, LLC*** 8/14/2019 ***S/B CITIZEN ENERGY III LLC; WILL BE CORRECTED AT FINAL HEARING BY ATTORNEY FOR OPERATOR

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017 25513 HONEY SPRINGS 1H-2-35