API NUMBER: 017 25536 A

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

Approval Date: 09/27/2019

Expiration Date: 03/27/2021

Multi Unit Oil & Gas

Amend reason: CORRECT SHL

## **AMEND PERMIT TO DRILL**

SPOT LOCATION:   NW   SE   SW   SE   FEET FROM QUARTER: FROM   SOUTH   FROM   EAST
Lease Name: LATHAM   Well No: 1H-14-23   Well will be   345   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         BEVERLY JEAN FEUERBORN         25200 SAUSALITO LANE           PORTER         TX         77365    Formation(s) (Permit Valid for Listed Formations Only):    Name
CITIZEN ENERGY III LLC 320 S BOSTON AVE STE 900 TULSA, OK 74103-3729  Formation(s) (Permit Valid for Listed Formations Only):    Name
320 S BOSTON AVE STE 900   TULSA, OK 74103-3729   25200 SAUSALITO LANE   PORTER TX 77365
TULSA, OK 74103-3729  PORTER TX 77365  Formation(s) (Permit Valid for Listed Formations Only):  Name Code Depth  1 MISSISSIPPIAN 359MSSP 11600  Spacing Orders: 686010 686011 703589  Location Exception Orders: 703590  Increased Density Orders: No Density Orders No Density Orders
Formation(s) (Permit Valid for Listed Formations Only):    Name
Name         Code         Depth           1         MISSISSIPPIAN         359MSSP         11600           Spacing Orders: 686010 686011 703589         Location Exception Orders: 703590         Increased Density Orders: No Density Orders
Name         Code         Depth           1         MISSISSIPPIAN         359MSSP         11600           Spacing Orders: 686010         Location Exception Orders: 703590         Increased Density Orders: No Density Orders           686011         703589         Special Orders: No Special Orders: No Special Orders: No Special Orders
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1 MISSISSIPPIAN 359MSSP 11600  Spacing Orders: 686010 686011 703589  Location Exception Orders: 703590 Increased Density Orders: No Density Orders Special Orders: No Special Orders: No Special Orders: No Special Orders
Spacing Orders: 686010 Location Exception Orders: 703590 Increased Density Orders: No Density Orders 686011 703589 Spacing Orders: No Spacial Orders: No Spacial Orders: No Spacial Orders: No Spacial Orders
686011 703589 Special Orders: No Special Orders
703589 Special Orders: No Special Orders
Special Orders: No Special Orders
Totaling of Haliboto.
Total Depth: 22580 Ground Elevation: 1319 Surface Casing: 1000 Depth to base of Treatable Water-Bearing FM: 280
Deep surface casing has been approve
Under Federal Jurisdiction: No Approved Method for disposal of Drilling Fluids:
Fresh Water Supply Well Drilled: No  D. One time land application (REQUIRES PERMIT)  PERMIT NO: 19-36902
Surface Water used to Drill: Yes  H. (Other)  SEE MEMO
PIT 1 INFORMATION Category of Pit: C
Type of Pit System: CLOSED Closed System Means Steel Pits Liner not required for Category: C
Type of Mud System: WATER BASED Pit Location is: ALLUVIAL
Chlorides Max: 5000 Average: 3000 Pit Location Formation: ALLUVIUM
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
Dit is leasted in a Laddelesianth Counting Asso
Pit <u>is</u> located in a Hydrologically Sensitive Area.
PIT 2 INFORMATION Category of Pit: C
PIT 2 INFORMATION  Type of Pit System: CLOSED Closed System Means Steel Pits  Category of Pit: C  Liner not required for Category: C
PIT 2 INFORMATION  Type of Pit System: CLOSED Closed System Means Steel Pits  Type of Mud System: OIL BASED  Category of Pit: C  Liner not required for Category: C  Pit Location is: ALLUVIAL
PIT 2 INFORMATION  Type of Pit System: CLOSED Closed System Means Steel Pits  Type of Mud System: OIL BASED  Category of Pit: C  Liner not required for Category: C  Pit Location is: ALLUVIAL  Pit Location Formation: ALLUVIUM
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
PIT 2 INFORMATION  Type of Pit System: CLOSED Closed System Means Steel Pits  Type of Mud System: OIL BASED  Category of Pit: C  Liner not required for Category: C  Pit Location is: ALLUVIAL  Pit Location Formation: ALLUVIUM

MULTI UNIT HOLE 1

Section: 23 Township: 11N Range: 9W Total Length: 10303

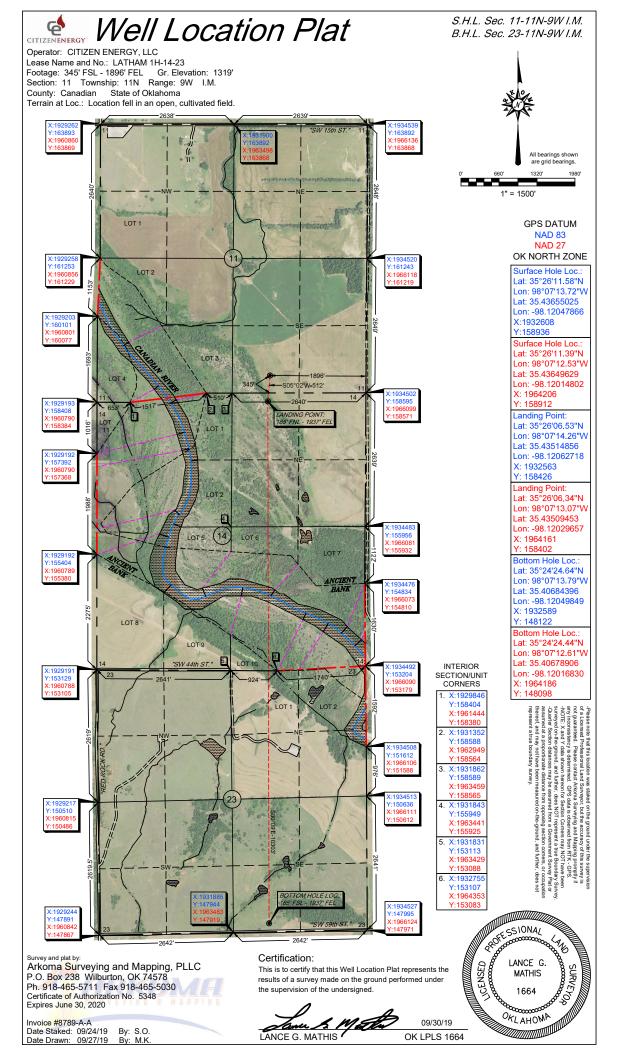
County: CANADIAN Measured Total Depth: 22580

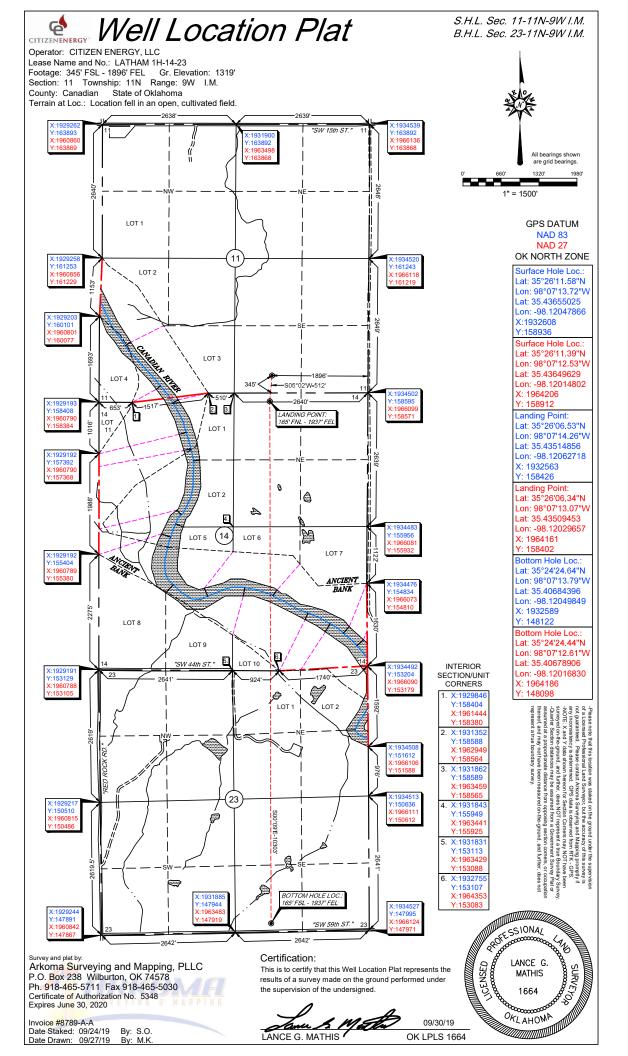
Spot Location of End Point: SW SE SW SE True Vertical Depth: 12800

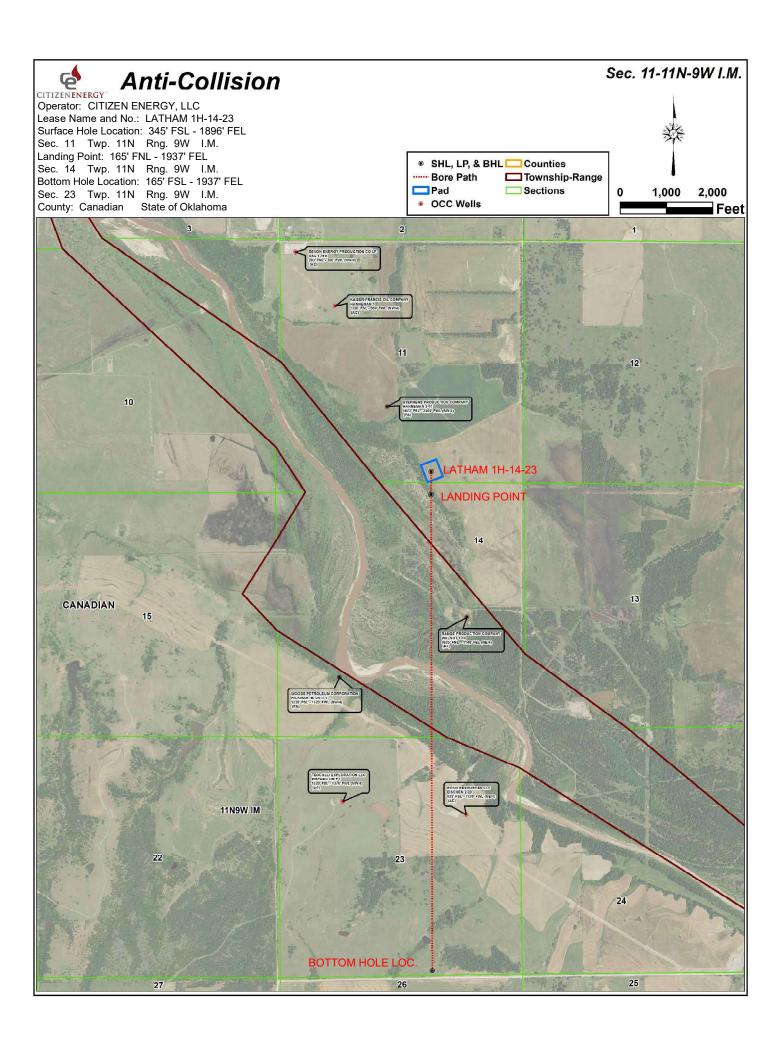
Feet From: SOUTH 1/4 Section Line: 165 End Point Location from
Feet From: EAST 1/4 Section Line: 1937 Lease,Unit, or Property Line: 165

Additional Surface Owner(s)	Address	City, State, Zip
BEVERLY JEAN FEUERBORN	25200 SAUSALITO LANE	PORTER, TX 77365
BEVERLY JEAN FEUERBORN	25200 SAUSALITO LANE	PORTER, TX 77365
BEVERLY JEAN FEUERBORN	25200 SAUSALITO LANE	PORTER, TX 77365
BEVERLY JEAN FEUERBORN	25200 SAUSALITO LANE	PORTER, TX 77365

NOTES:		
Category	Description	
DEEP SURFACE CASING	9/11/2019 - 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	9/11/2019 - 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	
LOCATION EXCEPTION - 703590	9/24/2020 - G56 - (I.O.) 14 & 23-11N-9W X686010 MSSP 14-11N-9W X686011 MSSP 23-11N-9W COMPL INT (14-11N-9W) NCT 165' FNL, NCT 0' FSL, NCT 660' FEL COMPL INT (23-11N-9W) NCT 0' FNL, NCT 165' FSL, NCT 660' FEL CITIZEN ENERGY III, LLC 10/11/2019	
MEMO	9/11/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - CANADIAN RIVER), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT	
SPACING - 686010	9/24/2020 - G56 - (640)(HOR) 14-11N-9W EXT 681928 MSSP, OTHERS COMPL INT NLT 660' FB	
SPACING - 686011	9/24/2020 - G56 - (640)(HOR) 23-11N-9W EXT 681928 MSSP, OTHERS COMPL INT NLT 660' FB	
SPACING - 703589	9/24/2020 - G56 - (I.O.) 14 & 23-11N-9W EST MULTIUNIT HORIZONTAL X686010 MSSP 14-11N-9W X686011 MSSP 23-11N-9W 50% 14-11N-9W 50% 23-11N-9W CITIZEN ENERGY III, LLC 10/11/2019	









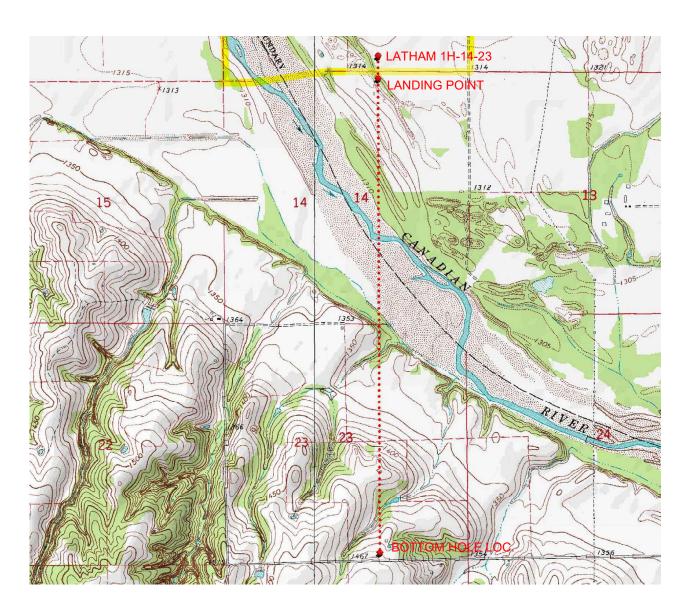
## Topographic Vicinity Map

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: LATHAM 1H-14-23
Surface Hole Location: 345' FSL - 1896' FEL
Sec. 11 Twp. 11N Rng. 9W I.M.
Landing Point: 165' FNL - 1937' FEL
Sec. 14 Twp. 11N Rng. 9W I.M.
Bottom Hole Location: 165' FSL - 1937' FEL
Sec. 23 Twp. 11N Rng. 9W I.M.
County: Canadian State of Oklahoma

Ground Elevation at Surface Hole Location: 1319'



Scale 1" = 2000' Contour Interval: 10'



Provided 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

Date Staked: 08/09/19

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.

Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined.

