

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

API NUMBER: 017 25578

Approval Date: 12/27/2019

Expiration Date: 06/27/2021

Horizontal Hole Oil & Gas

PERMIT TO DRILL

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

County: CANADIAN

SPOT LOCATION: ☐ SW ☐ SE ☐ SE ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 305 2085

Lease Name: CALDWELL

Well No: 2H-12-1

Well will be 305 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

CALDWELL & SONS DRILLING INC.
3 ALTAMIRA
BORGER TX 79007

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	11300	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201905396

Special Orders:

Total Depth: 21334

Ground Elevation: 1532

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 320

Deep surface casing has been approved

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: 19-37141

H. SEE MEMO

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.

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 01 Twp 12N Rge 9W County CANADIAN

Spot Location of End Point: N2 NE NE NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 2310

Depth of Deviation: 10874

Radius of Turn: 477

Direction: 1

Total Length: 9711

Measured Total Depth: 21334

True Vertical Depth: 11350

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

Notes:

Category

Description

COMPLETION INTERVAL

12/27/2019 - GB6 - X201905396 MSSP COMPL. INT. TO BE NCT 660' FB PER OPERATOR.

DEEP SURFACE CASING

12/9/2019 - 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

12/9/2019 - 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

12/9/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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017 25578 CALDWELL 2H-12-1

12/27/2019 - GB6 - (1280) 1 & 12 -12N-9W
EST MSSP, WDFD
POE TO BHL (WDFD) NCT 165' FSB, NCT 165' FNB, NCT 300' FEB, NCT 300' FWB
POE TO BHL (MSSP) NCT 660' FB
(COEXIST SP. ORDER # 157926 MISS, SP. ORDER # 585992** WDFD, SP. ORDER # 181213
CSTR, MISS, WDFD)
REC 12/02/2019 (JOHNSON)

** S/B 585992/588241



Well Location Plat

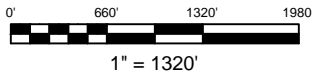
S.H.L. Sec. 12-12N-9W I.M.
B.H.L. Sec. 1-12N-9W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: CALDWELL 2H-12-1
Footage: 305' FSL - 2085' FWL Gr. Elevation: 1532'
Section: 12 Township: 12N Range: 9W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in a cultivated field.

API 017-25578



All bearings shown
are grid bearings.



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°31'23.43"N
Lon: 98°06'25.80"W
Lat: 35.52317549
Lon: -98.10716716
X: 1936609
Y: 190464

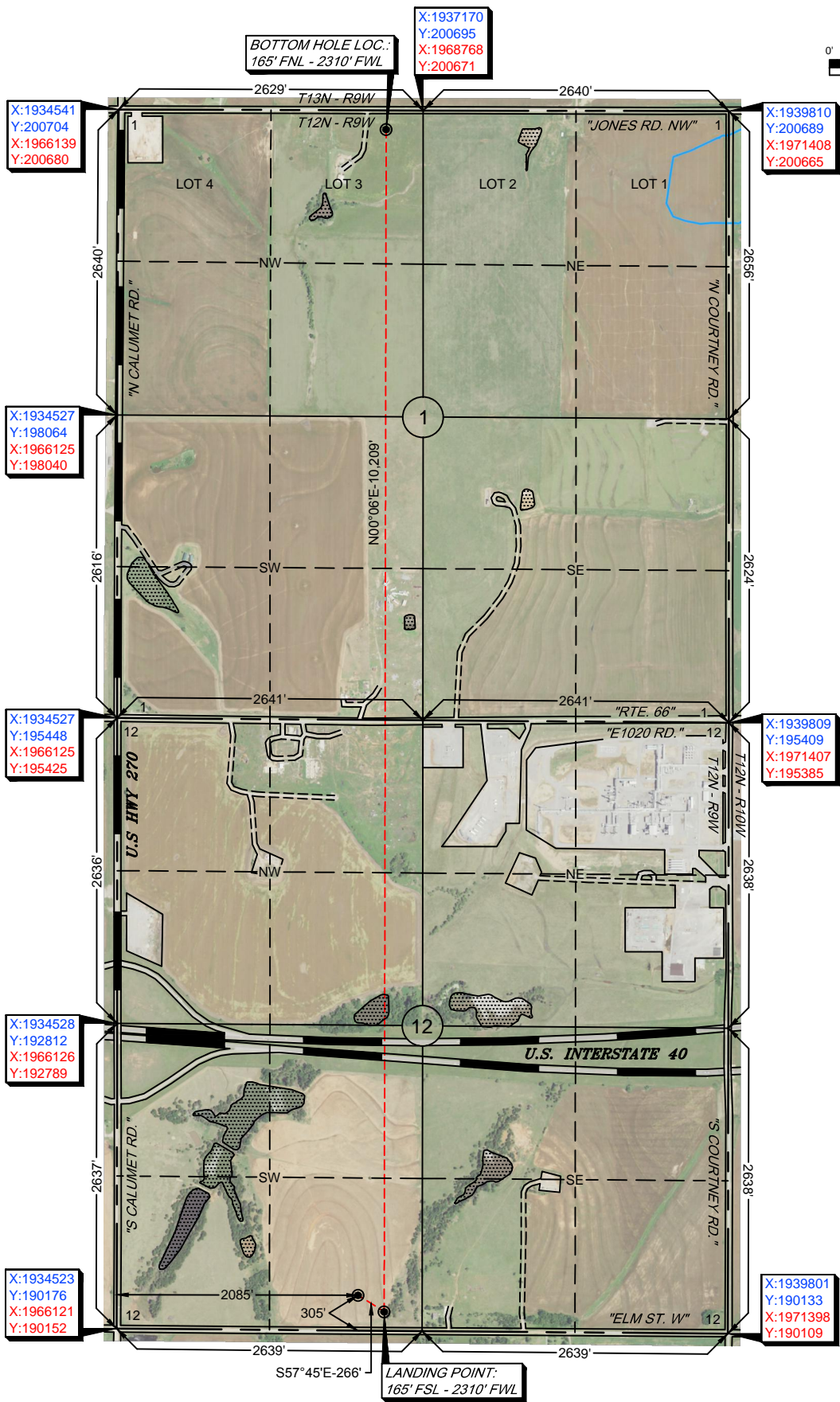
Surface Hole Loc.:
Lat: 35°31'23.25"N
Lon: 98°06'24.61"W
Lat: 35.52312409
Lon: -98.10683562
X: 1968207
Y: 190440

Landing Point:
Lat: 35°31'22.03"N
Lon: 98°06'23.08"W
Lat: 35.52278651
Lon: -98.10641133
X: 1936833
Y: 190322

Landing Point:
Lat: 35°31'21.85"N
Lon: 98°06'21.89"W
Lat: 35.52273511
Lon: -98.10607982
X: 1968431
Y: 190298

Bottom Hole Loc.:
Lat: 35°33'03.00"N
Lon: 98°06'23.01"W
Lat: 35.55083261
Lon: -98.10639175
X: 1936850
Y: 200531

Bottom Hole Loc.:
Lat: 35°33'02.82"N
Lon: 98°06'21.82"W
Lat: 35.55078199
Lon: -98.10605980
X: 1968448
Y: 200507



-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

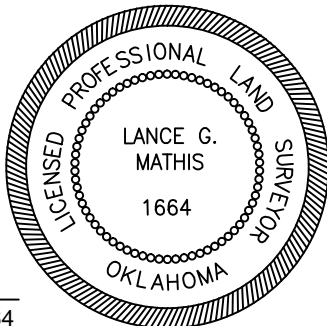
Invoice #8941-B
Date Staked: 11/26/19 By: B.A.
Date Drawn: 12/02/19 By: K.M.
Rev. LP/BHL: 12/06/19 By: K.M.

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

12/06/19
OK LPLS 1664





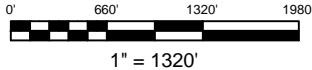
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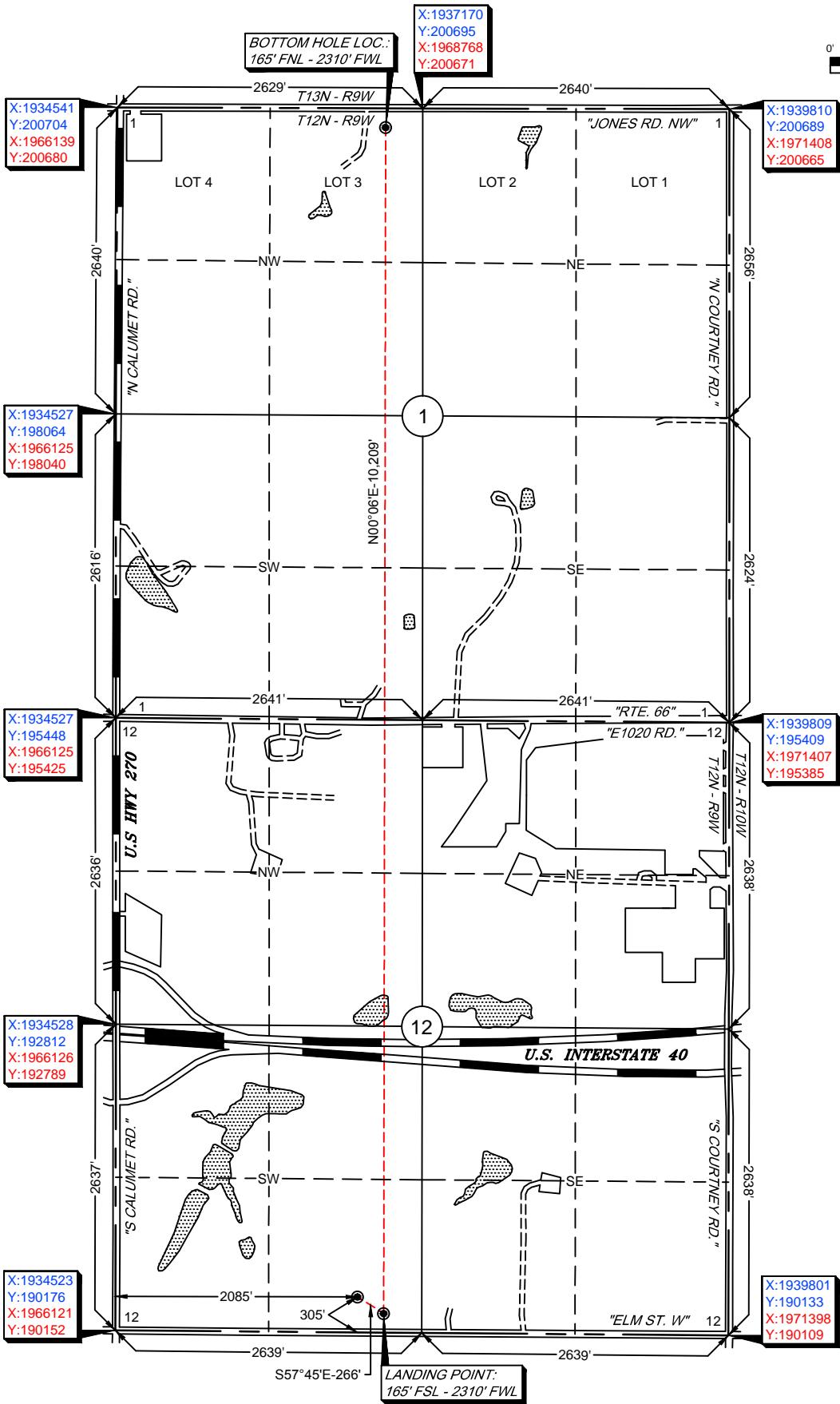
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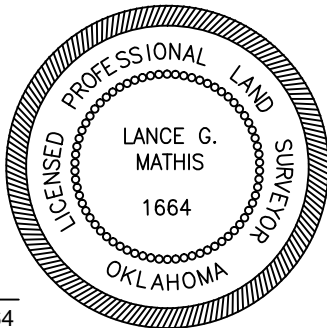
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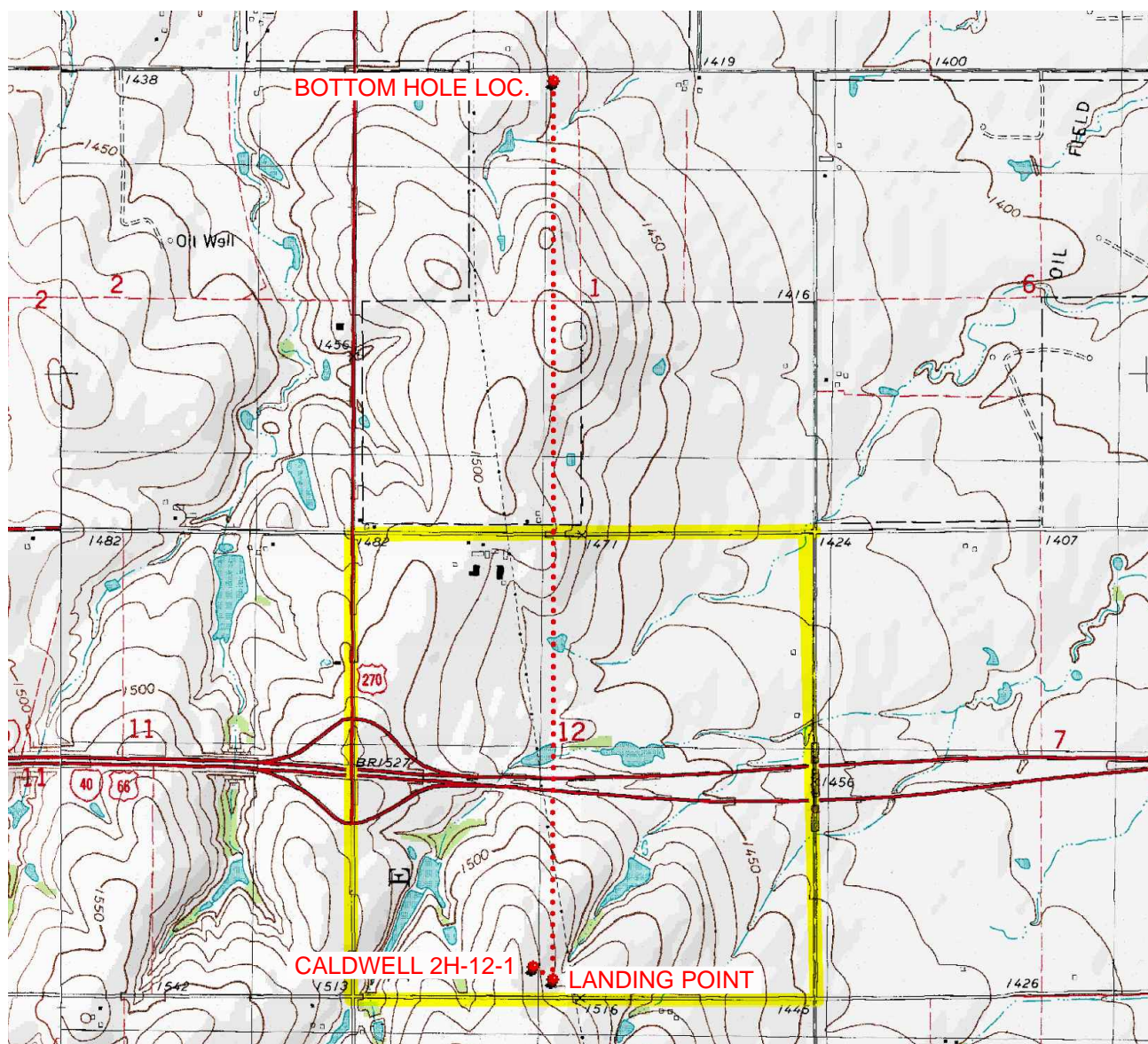
12/06/19
OK LPLS 1664



Invoice #8941-B
Date Staked: 11/26/19 By: B.A.
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Rev. LP/BHL: 12/06/19 By: K.M.



Scale 1" = 2000'
Contour Interval: 10'



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

County Highway Vicinity Map

Job #: 8941-B

Operator: CITIZEN ENERGY, LLC

Lease Name and No.: CALDWELL 2H-12-1

Accessibility: From the North.

Directions: From the junction of "Main St" & US HWY 270 in the town of Calumet, OK, go 5.5 miles South on US HWY 270, then go 0.4 miles East on "Elm St W" to the Southwest Quarter of Section 12-12N-9W on the North side of the road.



1 inch = 0.75 mile

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