

API NUMBER: 137 27650

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

Approval Date: 01/25/2022

Expiration Date: 07/25/2023

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 13 Township: 1N Range: 5W County: STEPHENS

SPOT LOCATION: ☐ SE ☐ NE ☐ NE ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 398 2591

Lease Name: NORTH BASIN Well No: 3-13HW Well will be 398 feet from nearest unit or lease boundary.

Operator Name: CITATION OIL & GAS CORPORATION Telephone: 2818911000; 2818911000 OTC/OCC Number: 14156 0

CITATION OIL & GAS CORPORATION
14077 CUTTEN RD
HOUSTON, TX 77069-2212

LLOYD E & SHERRI M ELY
297297 E 1730 ROAD
DUNCAN OK 73533

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

Name	Code	Depth
1 WOODFORD	319WDFD	10317

Spacing Orders: 697479

Location Exception Orders: 722456

Increased Density Orders: 722455

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 12465

Ground Elevation: 1176

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 680

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: 22-38057

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 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: BISON

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: BISON

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.

HORIZONTAL HOLE 1

Section: 13	Township: 1N	Range: 5W	Meridian: IM	Total Length: 4512
County: STEPHENS				Measured Total Depth: 12465
Spot Location of End Point: SW	SW	SE	SW	True Vertical Depth: 12136
Feet From: SOUTH	1/4 Section Line: 50			End Point Location from
Feet From: WEST	1/4 Section Line: 1430			Lease, Unit, or Property Line: 50

NOTES:

Category	Description
DEEP SURFACE CASING	[1/24/2022 - 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>[1/24/2022 - 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: OCCEWEB.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>
INCREASED DENSITY - 722455	<p>[1/24/2022 - G56] - (I.O.) 13-1N-5W X697479 WDFD, OTHER 3 WELLS NO OP NAMED 12/29/2021</p>
LOCATION EXCEPTION - 722456	<p>[1/24/2022 - G56] - (I.O.) 13-1N-5W X697479 WDFD, OTHER COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 1000' FWL CITATION OIL & GAS CORP 12/29/2021</p>
MEMO	[1/24/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 697479	<p>[1/24/2022 - G56] - (640) 13-1N-5W EXT 623296 WDFD, OTHERS</p>