

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

API NUMBER: 017 25501 B

Approval Date: 08/12/2019
Expiration Date: 02/12/2021

Horizontal Hole
Multi Unit

Oil & Gas

Amend reason: OCC CORRECTION: UPDATE SPACING

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 27 Twp: 14N Rge: 8W

County: CANADIAN

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 270 1795

Lease Name: HEUPEL

Well No: 1H-22-15

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

WESLEY CARL HEUPEL
6975 192ND NW
OKARCHE OK 73762

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

Name	Depth	Name	Depth
1 WOODFORD	10000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201904888
201904889

Special Orders:

Total Depth: 20310

Ground Elevation: 1239

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 310

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: 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: FLOWERPOT

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

PERMIT NO: 19-36886

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 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: FLOWERPOT

HORIZONTAL HOLE 1

Sec 15 Twp 14N Rge 8W County CANADIAN

Spot Location of End Point: NE NE NW NE

Feet From: NORTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1570

Depth of Deviation: 9300

Radius of Turn: 477

Direction: 10

Total Length: 10261

Measured Total Depth: 20310

True Vertical Depth: 10050

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

Notes:

Category

Description

DEEP SURFACE CASING

8/8/2019 - 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

8/8/2019 - 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

INTERMEDIATE CASING

8/8/2019 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

MEMO

8/8/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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.

017 25501 HEUPEL 1H-22-15

PENDING CD - 201904888	10/7/2019 - GB6 - (E.O.) 15 & 22 -14N-8W EST MULTIUNIT HORIZONTAL WELL X629067 WDFD 22-14N-8W X630012 WDFD 15-14N-8W 50% 22-14N-8W 50% 15-14N-8W NO OP. NAMED REC. 10/07/2019 (MOC)
PENDING CD - 201904889	10/7/2019 - GB6 - (E.O.) 15 & 22 -14N-8W X629067 WDFD 22-14N-8W X630012 WDFD 15-14N-8W SHL 270 FNL, 1795' FEL 27-14N-8W COMPL. INT. (22-14N-8W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (15-14N-8W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL CITIZEN ENERGY III, LLC REC. 10/07/2019 (MOC)
SPACING - 629067	8/9/2019 - GC0 - (640)(HOR) 22-14N-8W EST WDFD, OTHERS COMPL. INT. (WDFD) NCT 330 FB (SUPERSEDE NON-PRODUCING NON-HORIZONTAL SPACING UNITS: COEXIST WITH PRODUCING NON-HORIZONTAL SPACING UNITS)
SPACING - 630012	10/7/2019 - GB6 - (640)(HOR) 15-14N-8W EST WDFD, OTHERS COMPL. INT. (WDFD) NCT 165' FNL, NCT 165' FSL, NCT 330' FEL, NCT 330' FWL (COEXIST PRODUCING NON-HORIZONTAL SPACING UNITS, SUPERCEDE NON-DEVELOPED NON-HORIZONTAL SPACING UNITS)