

API NUMBER: 017 25622

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

Approval Date: 04/17/2020

Expiration Date: 10/17/2021

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 08 Township: 11N Range: 8W County: CANADIAN

SPOT LOCATION: ☐ N2 ☐ NW ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 260 990

Lease Name: REUTER TRUST

Well No: 2H-8-17

Well will be 260 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

BARBARA ANN REUTER

16403 RENO AVENUE WEST

EL RENO OK 73036

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

| Name | Code | Depth |
|------------|---------|-------|
| 1 WOODFORD | 319WDFD | 11900 |

Spacing Orders: 138433
710630

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: 202000939
202000940
202000942
202000943

Special Orders: No Special Orders

Total Depth: 22425

Ground Elevation: 1384

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 440

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)
H. SEE MEMO

PERMIT NO: 20-37342

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: 17 | | Township: 11N | | Range: 8W | | Total Length: 10202 |
| County: CANADIAN | | | | Measured Total Depth: 22425 | | |
| Spot Location of End Point: | | S2 | S2 | SE | SE | True Vertical Depth: 11950 |
| Feet From: | | SOUTH | | 1/4 Section Line: 165 | | End Point Location from Lease,Unit, or Property Line: 165 |
| Feet From: | | EAST | | 1/4 Section Line: 660 | | |

| NOTES: | |
|------------------------------|---|
| Category | Description |
| DEEP SURFACE CASING | 4/13/2020 - 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 | 4/13/2020 - 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 |
| MEMO | 4/13/2020 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 202000939 | 4/16/2020 - GC2 - (E.O.) 8 & 17-11N-8W EST MULTIUNIT HORIZONTAL WELL X202000001 WDFD 8-11N-8W X138433 WDFD 17-11N-8W 50% 8-11N-8W 50% 17-11N-8W CITIZEN ENERGY III, LLC REC. 4-10-2020 (MOORE) |
| PENDING CD - 202000940 | 4/16/2020 - GC2 - (E.O.) 8 & 17-11N-8W X202000001 WDFD 8-11N-8W X138433 WDFD 17-11N-8W COMPL. INT. (17-11N-8W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (8-11N-8W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL CITIZEN ENERGY III, LLC REC. 4-10-2020 (MOORE) |
| PENDING CD - 202000942 | 4/16/2020 - GC2 - (E.O.) 17-11N-8W X138433 WDFD 2 WELLS CITIZEN ENERGY III, LLC REC. 4-10-2020 (MOORE) |
| PENDING CD - 202000943 | 4/16/2020 - GC2 - (E.O.) 8-11N-8W X138433*** WDFD 2 WELLS CITIZEN ENERGY III, LLC REC. 4-10-2020 (MOORE) S/B X710630; WILL BE FIXED AT HEARING PER ATTORNEY FOR OPERATOR. |
| SPACING - 138433 | 4/16/2020 - GC2 - (640) 8 & 17-11N-8W EST WDFD, OTHER |
| SPACING - 710630 (202000001) | 4/16/2020 - GC2 - (640)(HOR) 8-11N-8W EST WDFD COMPL. INT. NCT 165' FNL/FSL, NCT 330' FEL/FWL (COEXIST SPACING NUMBER 138433 WDFD) |



Well Location Plat

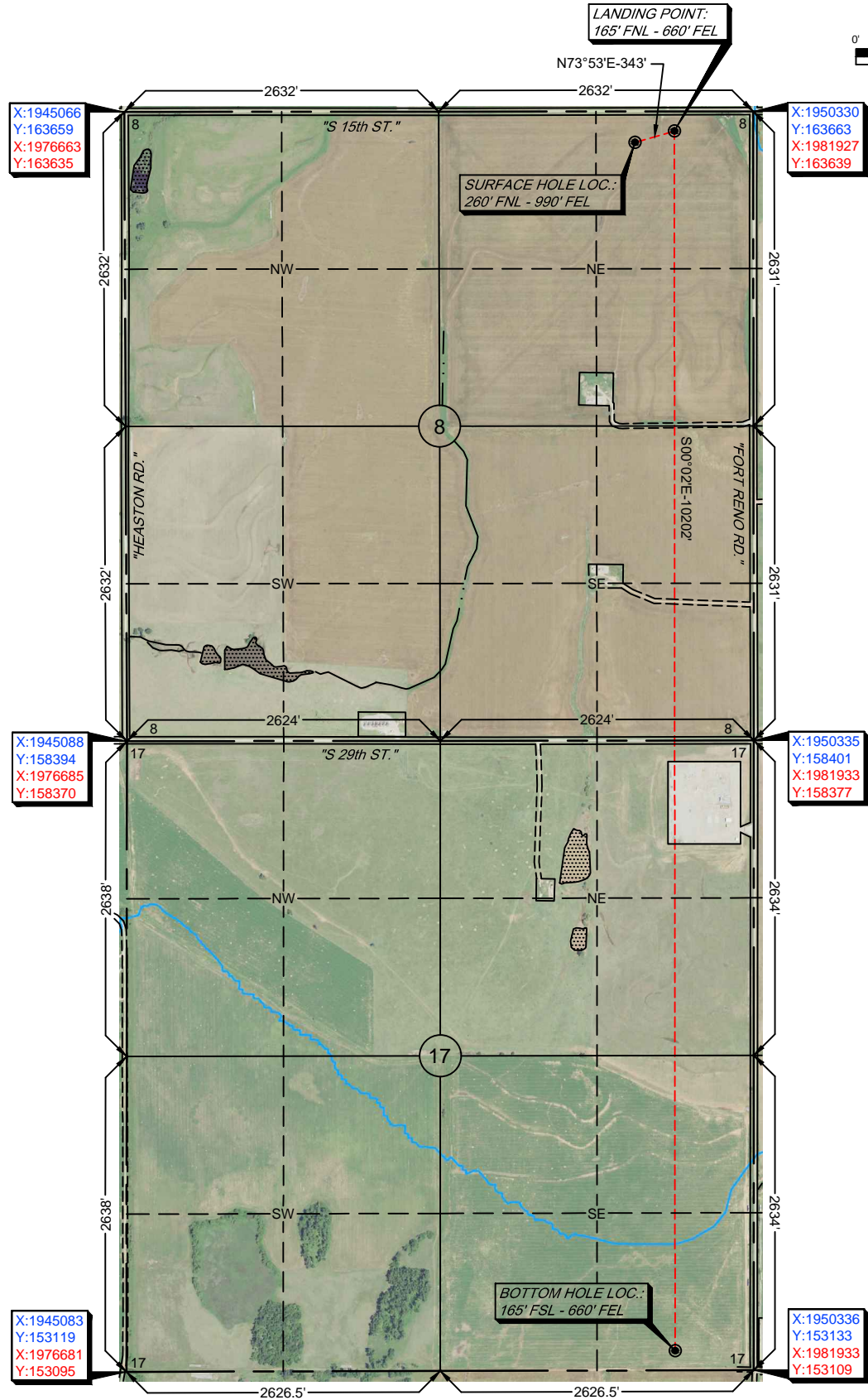
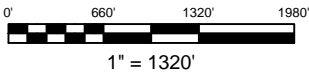
S.H.L. Sec. 8-11N-8W I.M.
B.H.L. Sec. 17-11N-8W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: REUTER TRUST 2H-8-17 ALT
Footage: 260' FNL - 990' FEL Gr. Elevation: 1384'
Section: 8 Township: 11N Range: 8W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in an open cultivated field.

API: 017-25622



All bearings shown
are grid bearings.



GPS DATUM

NAD 83

NAD 27

OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°26'55.91"N
Lon: 98°03'51.57"W
Lat: 35.44886428
Lon: -98.06432485
X: 1949340
Y: 163402

Surface Hole Loc.:
Lat: 35°26'55.72"N
Lon: 98°03'50.38"W
Lat: 35.44881047
Lon: -98.06399565
X: 1980938
Y: 163378

Landing Point:
Lat: 35°26'56.86"N
Lon: 98°03'47.58"W
Lat: 35.44912662
Lon: -98.06321752
X: 1949670
Y: 163498

Landing Point:
Lat: 35°26'56.66"N
Lon: 98°03'46.40"W
Lat: 35.44907282
Lon: -98.06288835
X: 1981267
Y: 163474

Bottom Hole Loc.:
Lat: 35°25'15.96"N
Lon: 98°03'47.43"W
Lat: 35.42110083
Lon: -98.06317494
X: 1949676
Y: 153296

Bottom Hole Loc.:
Lat: 35°25'15.77"N
Lon: 98°03'46.25"W
Lat: 35.42104612
Lon: -98.06284614
X: 1981273
Y: 153272

-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

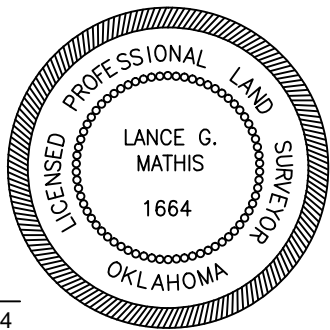
Certification:

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

12/17/19

OK LPLS 1664



Invoice #8909-A-B

Date Staked: 12/12/19 By: S.O.

Date Drawn: 12/16/19 By: J.C.



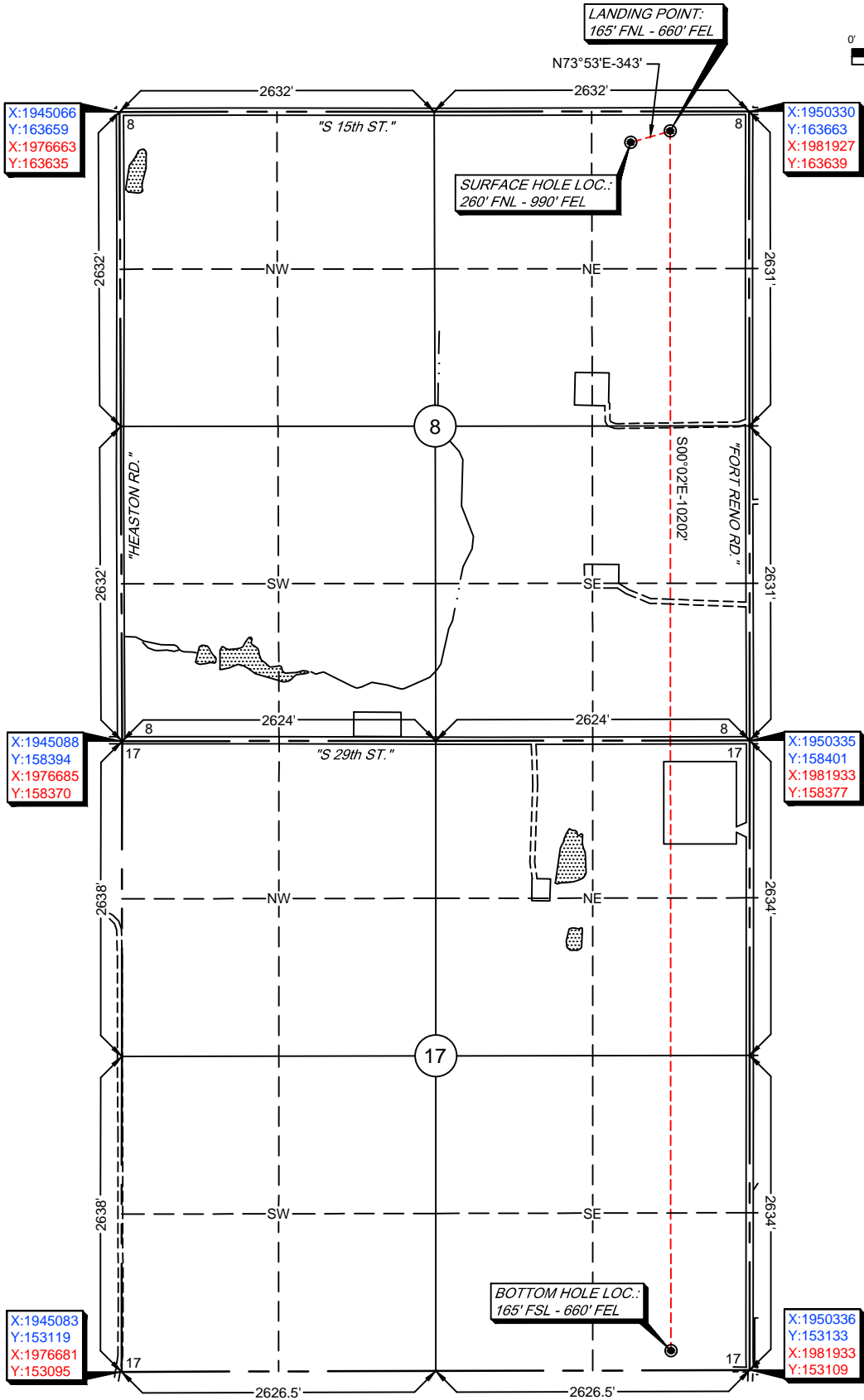
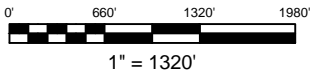
Well Location Plat

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B.H.L. Sec. 17-11N-8W I.M.

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| Y: 153272 |

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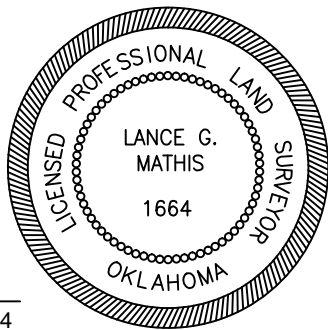
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12/17/19

OK LPLS 1664



Invoice #8909-A-B

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Date Drawn: 12/16/19 By: J.C.



CITIZENENERGY

Anti-Collision

Sec. 8-11N-8W I.M.

Operator: CITIZEN ENERGY, LLC

Lease Name and No.: REUTER TRUST 2H-8-17 ALT

Surface Hole Location: 260' FNL - 990' FEL

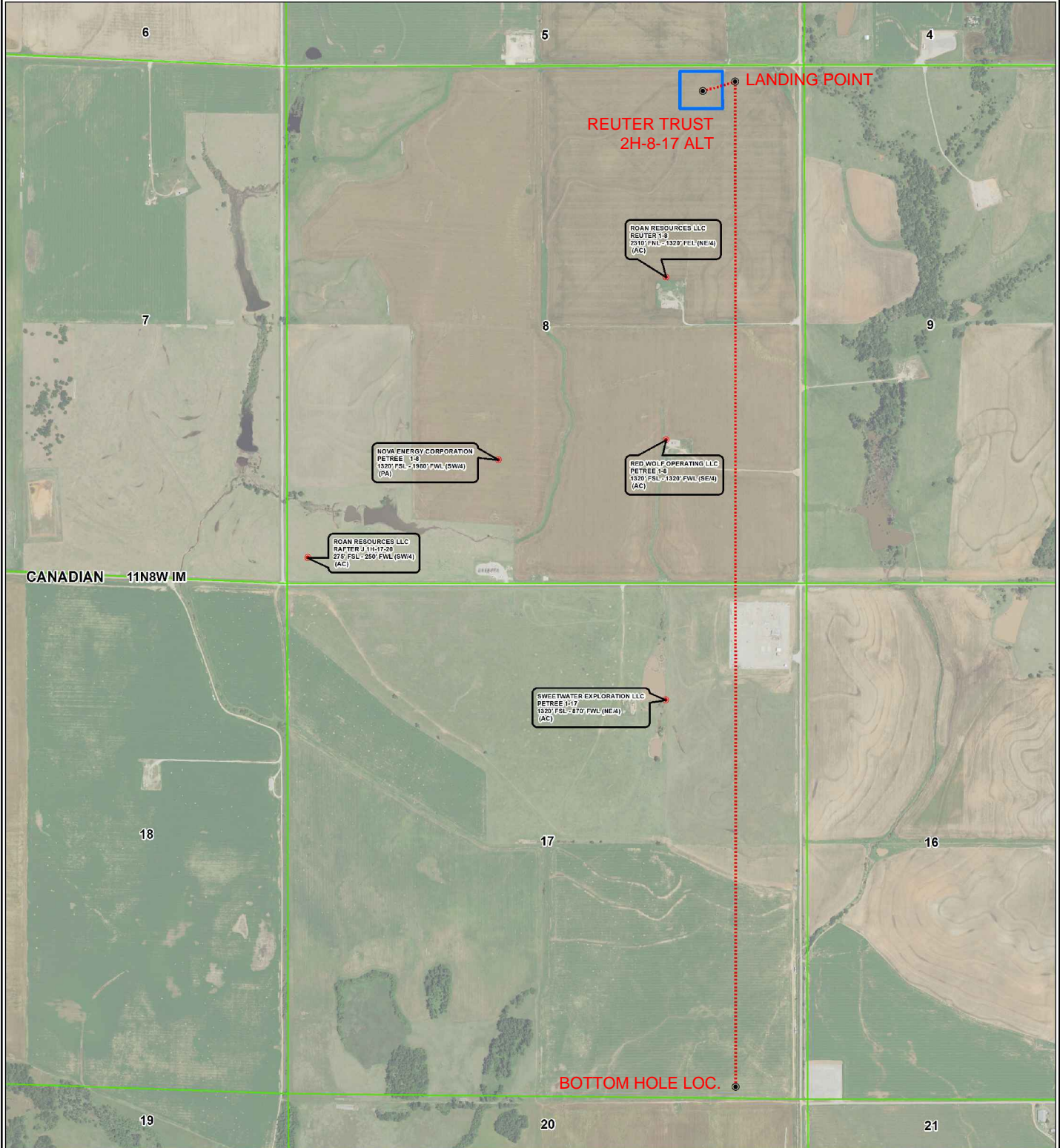
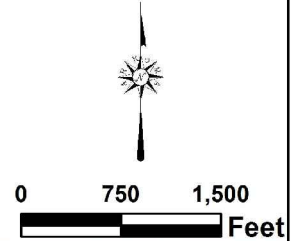
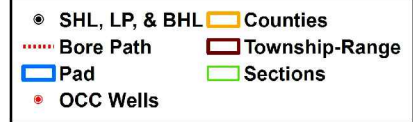
Landing Point: 165' FNL - 660' FEL

Sec. 8 Twp. 11N Rng. 8W I.M.

Bottom Hole Location: 165' FSL - 660' FEL

Sec. 17 Twp. 11N Rng. 8W I.M.

County: Canadian State of Oklahoma





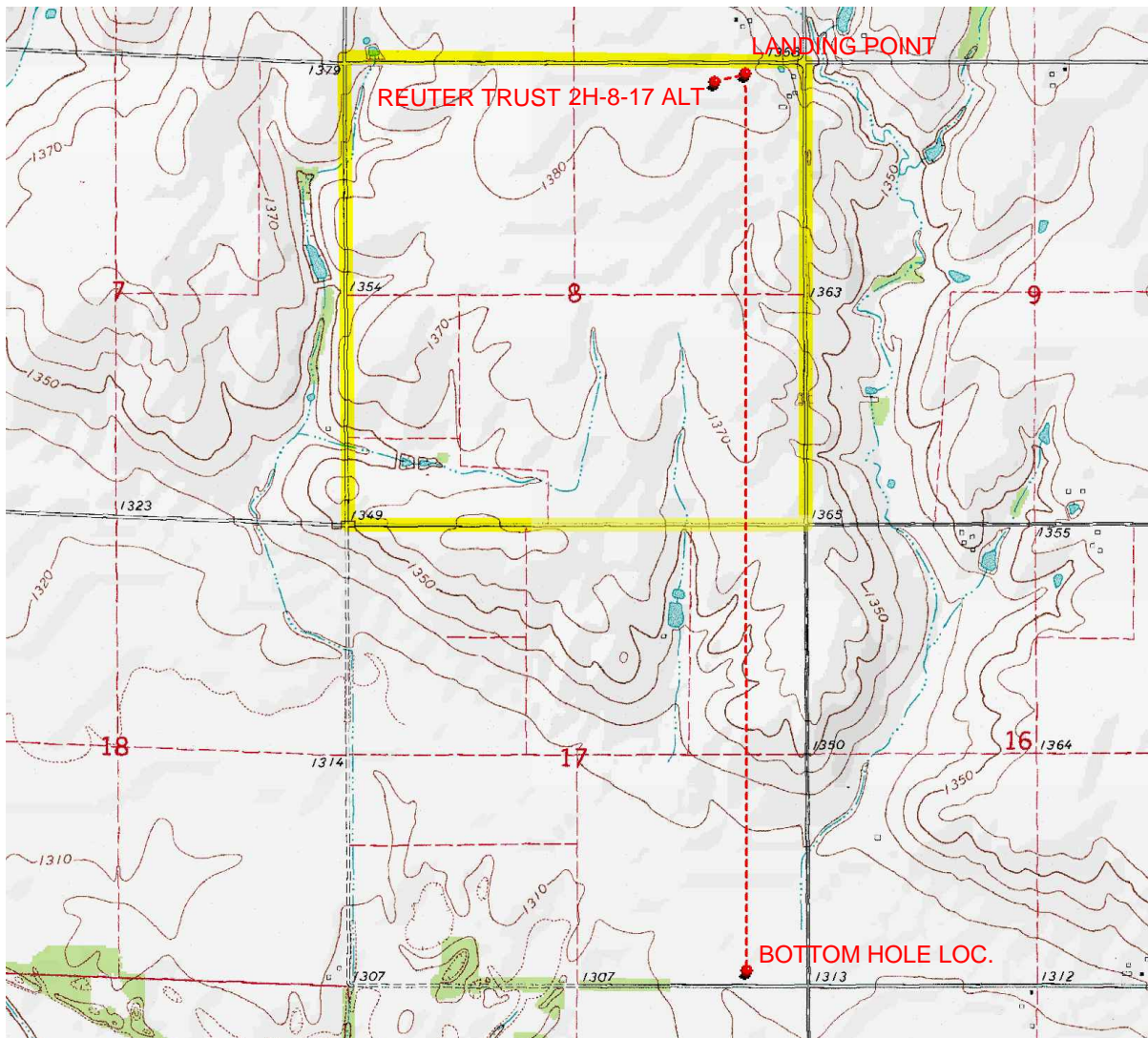
Topographic Vicinity Map

Operator: CITIZEN ENERGY, LLC
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County: Canadian State of Oklahoma



Ground Elevation at Surface Hole Location: 1384'

Scale 1" = 2000'
Contour Interval: 10'



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Expires June 30, 2020

Date Staked: 12/12/19

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.

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