

API NUMBER: 051 24976

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

Approval Date: 10/10/2022  
Expiration Date: 04/10/2024

Multi Unit Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 30 Township: 8N Range: 7W County: GRADY

SPOT LOCATION: ☐ NW ☐ SE ☐ NW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 1765 1670

Lease Name: NELLI Well No: 1H-30-19 Well will be 1700 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

STEVE EUBANK, AS OWNER OF EUBANK RANCH LLC  
P.O. BOX 2046  
CHICKASHA OK 73079

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	14200
2	WOODFORD	319WDFD	14300

Spacing Orders: 679066  
676759

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202202699  
202202698

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 22800 Ground Elevation: 1189

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 460

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: 22-38612  
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: 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: 19	Township: 8N	Range: 7W	Meridian: IM	Total Length: 8530	
	County: GRADY			Measured Total Depth: 22800	
Spot Location of End Point: NW	NE	NW	NE	True Vertical Depth: 14300	
Feet From: <b>NORTH</b>		1/4 Section Line: 165		End Point Location from	
Feet From: <b>EAST</b>		1/4 Section Line: 1670		Lease, Unit, or Property Line: 165	

#### NOTES:

Category	Description
DEEP SURFACE CASING	[9/30/2022 - 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>[9/30/2022 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a>; 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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
MEMO	[9/30/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 2022-002698	<p>[10/7/2022 - GC2] - (E.O.) 19 &amp; 30-8N-7W  EST MULTIUNIT HORIZONTAL WELL  X679066 MSSP, WDFD 19-8N-7W  X676759 MSSP, WDFD 30-8N-7W  (MSSP ADJACENT COMMON SOURCE OF SUPPLY TO WDFD)  33% 30-8N-7W  67% 19-8N-7W  CITIZEN ENERGY III, LLC  REC. 10/7/2022 (BEESE)</p>
PENDING CD - 2022-002699	<p>[10/7/2022 - GC2] - (E.O.) 19 &amp; 30-8N-7W  X679066 MSSP, WDFD 19-8N-7W  X676759 MSSP, WDFD 30-8N-7W  COMPL. INT. (30-8N-7W) NCT 2000' FSL, NCT 0' FNL, NCT 1500' FEL  COMPL. INT. (19-8N-7W) NCT 0' FSL, NCT 165' FNL, NCT 1500' FEL  CITIZEN ENERGY III, LLC  REC. 10/7/2022 (BEESE)</p>
SPACING - 676759	<p>[10/3/2022 - GC2] - (640)(HOR) 30-8N-7W  EXT 668443 MSSP, WDFD  COMPL. INT. (MSSP) NLT 660' FUB  COMPL. INT. (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL</p>
SPACING - 679066	<p>[10/7/2022 - GC2] - (640)(HOR) 19-8N-7W  EST MSSP, WDFD, OTHER  COMPL. INT. (MSSP) NCT 660' FUB  COMPL. INT. (WDFD) NCT 165' FNL/FSL, NCT 330' FEL/FWL</p>