

API NUMBER: 051 24978

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: ☐ NE ☐ SE ☐ NW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 1765 1700

Lease Name: NELLI Well No: 3H-30-31 Well will be 1640 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	14900
2	WOODFORD	319WDFD	15000

Spacing Orders: 676759
668443
695466

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202203640
202202704
202203642
202203639

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 22300 Ground Elevation: 1188

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: 31	Township: 8N	Range: 7W	Meridian: IM	Total Length: 7347
County: GRADY				Measured Total Depth: 22300
Spot Location of End Point: SE SE SE SW				True Vertical Depth: 15000
Feet From: SOUTH		1/4 Section Line: 165		End Point Location from
Feet From: WEST		1/4 Section Line: 2446		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: OCCWEB.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>
MEMO	[9/30/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 2022-002704	<p>[10/7/2022 - GC2] - (E.O.) 30-8N-7W X676759 MSSP, WDFD 1 WELL MSSP 1 WELL WDFD CITIZEN ENERGY III, LLC REC. 10/7/2022 (BEESE)</p>
PENDING CD - 2022-003639	<p>[10/7/2022 - GC2] - (E.O.) 30 & 31-8N-7W EST MULTIUNIT HORIZONTAL WELL X676759 MSSP, WDFD 30-8N-7W X668443/695466 MSSP, WDFD 31-8N-7W (MSSP ADJACENT COMMON SOURCE OF SUPPLY TO WDFD) 33% 30-8N-7W 67% 31-8N-7W CITIZEN ENERGY III, LLC REC. 10/7/2022 (BEESE)</p>
PENDING CD - 2022-003640	<p>[10/7/2022 - GC2] - (E.O.) 30 & 31-8N-7W WELL X676759 MSSP, WDFD 30-8N-7W X668443/695466 MSSP, WDFD 31-8N-7W COMPL. INT. (30-8N-7W) NCT 2000' FNL, NCT 0' FSL, NCT 1000' FEL COMPL. INT. (31-8N-7W) NCT 0' FNL, NCT 165' FSL, NCT 1000' FEL CITIZEN ENERGY III, LLC REC. 10/7/2022 (BEESE)</p>
PENDING CD - 2022-003642	<p>[10/7/2022 - GC2] - (E.O.) 30-8N-7W X676759/695466 MSSP, WDFD 2 WELL WDFD CITIZEN ENERGY III, LLC REC. 10/7/2022 (BEESE)</p>
SPACING - 668443	<p>[10/7/2022 - GC2] - (640)(HOR) 31-8N-7W EST MSSP, WDFD COMPL. INT. (MSSP) NLT 660' FUB COMPL. INT. (WDFD) NLT 165' FNL/FSL, NLT 330' FEL/FWL</p>
SPACING - 676759	<p>[10/7/2022 - 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 - 695466	[10/7/2022 - GC2] - CONFIRM 668443 TO BE IN FULL FORCE AND EFFECT FOR THE MSSP, WDFD CSS IN 31-8N-7W