

API NUMBER: 137 27691

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

Approval Date: 12/06/2022  
Expiration Date: 06/06/2024

Horizontal Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 24 Township: 1N Range: 5W County: STEPHENS

SPOT LOCATION: ☐ SW ☐ NW ☐ NE ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 525 1189

Lease Name: NORTH BASIN Well No: 1-24HM Well will be 525 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

ELY 1990 REVOCABLE TRUST , LLOYD E & SHEILA M ELY  
TRUSTEES  
297297 E 1730 ROAD  
DUNCAN OK 73533

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9493

Spacing Orders: 661254

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202204580  
202204582

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

Special Orders: No Special

Total Depth: 16177 Ground Elevation: 1149

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 660

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: 22-38729

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: PURCELL

**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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: PURCELL

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: 24	Township: 1N	Range: 5W	Meridian: IM	Total Length: 4963
County: STEPHENS				Measured Total Depth: 16177
Spot Location of End Point: SE SW SE SE				True Vertical Depth: 10837
Feet From: <b>SOUTH</b>		1/4 Section Line: 50		End Point Location from
Feet From: <b>EAST</b>		1/4 Section Line: 730		Lease, Unit, or Property Line: 50

**NOTES:**

Category	Description
DEEP SURFACE CASING	[12/1/2022 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING.
HYDRAULIC FRACTURING	<p>[12/1/2022 - 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 FRACTURING OPERATIONS. FORM 6000NH shall be found here: <a href="https://oklahoma.gov/occ/divisions/oil-gas/ogcd-forms">HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS</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	[12/1/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING - CD2022-004580	[12/5/2022 - GB7] - (I.O.) 24-1N-5W X661254 MSSP, OTHER COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FEL CITATION OIL AND GAS CORP REC 12/05/2022 (MILLER)
PENDING - CD2022-004582	[12/5/2022 - GB7] - 24-1N-5W X661254 MSSP, OTHER 3 WELLS MSSP 1 WELL OTHER CITATION OIL AND GAS CORP 12/5/2022
SPACING - 661254	[12/5/2022 - GB7] - (640) 24-1N-5W VAC 446466 SCMR, OTHER EXT OTHERS EST MSSP