API NUMBER: 039 22587

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

Approval Date: 06/10/2020
Expiration Date: 12/10/2021

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 08 Township: 13N Range: 14W County: CUSTER

SPOT LOCATION: NE NW NW SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **2435** **410**

Lease Name: **WL** **Well No:** **1H-8-17** **Well will be** **410** **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

CONCHO AGENCY
1635 EAST JWY 66
EL RENO OK 73036

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	15250

Spacing Orders: 703823
707751

Location Exception Orders: 705510

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 22777 Ground Elevation: 1624 **Surface Casing: 1000** Depth to base of Treatable Water-Bearing FM: 400

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: 20-37367
H. SEE MEMO

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits
Type of Mud System: WATER BASED
Chlorides Max: 8000 Average: 5000
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: AP/TE DEPOSIT
Pit Location Formation: TERRACE

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: AP/TE DEPOSIT
Pit Location Formation: TERRACE

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: 13N	Range: 14W	Total Length: 7204
	County: CUSTER		Measured Total Depth: 22777
Spot Location of End Point:	SE SW SW SW		True Vertical Depth: 15300
Feet From:	**SOUTH**	1/4 Section Line: 166	End Point Location from
Feet From:	**WEST**	1/4 Section Line: 604	Lease,Unit, or Property Line: 166

NOTES:

Category	Description
DEEP SURFACE CASING	6/10/2020 - 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	6/10/2020 - 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: 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
LOCATION EXCEPTION - 705510 (201903852)	6/10/2020 - GC2 - (I.O.) 8 & 17-13N-14W X703823 MSSP 8 & 17-13N-14W COMPL. INT. (8-13N-14W) NCT 1,320' FNL, NCT 0' FSL, NCT 330' FWL COMPL. INT. (17-13N-14W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL CITIZEN ENERGY III, LLC 11-22-2019
MEMO	6/10/2020 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - DEER CREEK), PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 703823	6/10/2020 - GC2 - (640)(HOR) 8 & 17-13N-14W VAC 104778 MSSP 8-13N-14W VAC 138053 MSSP 17-13N-14W EST MSSP COMPL. INT. NCT 660' FB
SPACING - 707751 (201903851)	6/10/2020 - GC2 - (I.O.) 8 & 17-13N-14W EST MULTIUNIT HORIZONTAL WELL X703823 MSSP 8 & 17-13N-14W 33% 8-13N-14 CITIZEN ENERGY III, LLC 1-22-2020
SURFACE CASING	6/10/2020 - G71 - MIN. 500' PER ORDER 42589

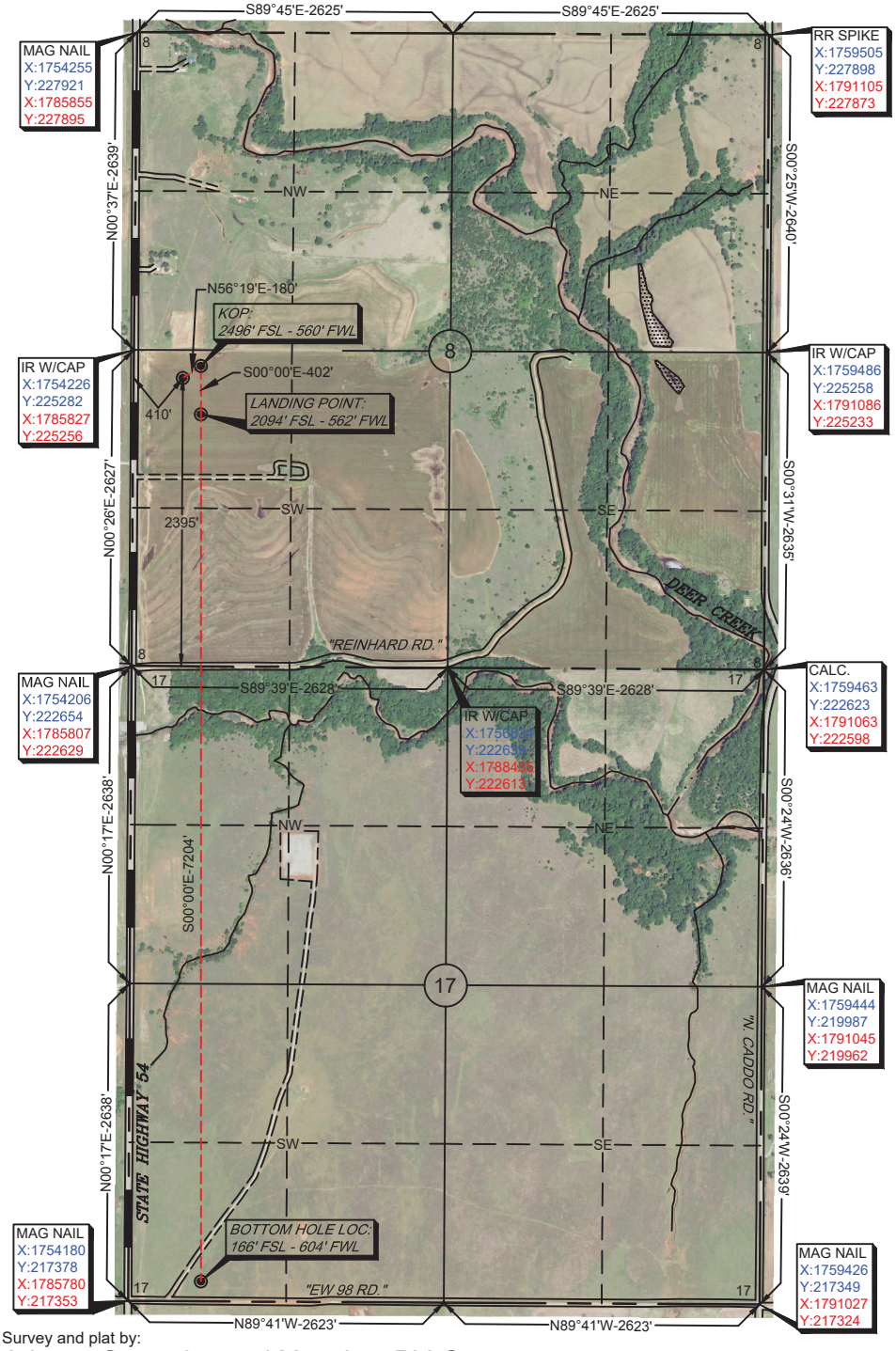
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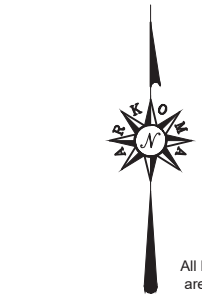
Well Location Plat

S.H.L. Sec. 8-13N-14W I.M.
B.H.L. Sec. 17-13N-14W I.M.

Operator: CITIZEN ENERGY II, LLC
Lease Name and No.: WL 1H-8-17
Footage: 2395' FSL - 410' FWL Gr. Elevation: 1624'
Section: 8 Township: 13N Range: 14W I.M.
County: Custer State of Oklahoma
Terrain at Loc.: Location fell in a plowed field.

API:039-22587





GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.: Lat: 35.61605196 Lon: -98.71951971 X: 1754634 Y: 225047	Surface Hole Loc.: Lat: 35.61600117 Lon: -98.71916381 X: 1786235 Y: 225022
KOP: Lat: 35.61632972 Lon:-98.71901757 X: 1754784 Y: 225147	KOP: Lat: 35.61627894 Lon:-98.71866166 X: 1786385 Y: 225122
Landing Point: Lat: 35.61522512 Lon:-98.71900755 X: 1754784 Y: 224745	Landing Point: Lat: 35.61517431 Lon:-98.71865168 X: 1786385 Y: 224720
Bottom Hole Loc.: Lat: 35.59543536 Lon:-98.71882811 X: 1754784 Y: 217541	Bottom Hole Loc.: Lat: 35.59538423 Lon:-98.71847297 X: 1786385 Y: 217516

-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

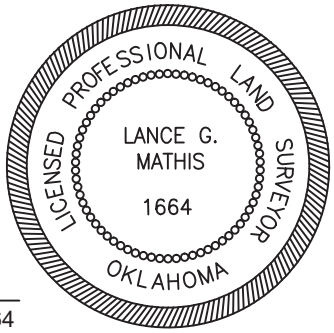
Invoice #7550-A-A
Date Staked: 05/10/18 By: J.W.
Date Drawn: 05/11/18 By: J.H.
Add Lp & Bhl: 05/21/18 By: K.B.
Rev BHL: 5/23/18 By: K.B.
Rev. KOP/LP/BHL: 8/27/18 By: R.S.

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.

08/27/18

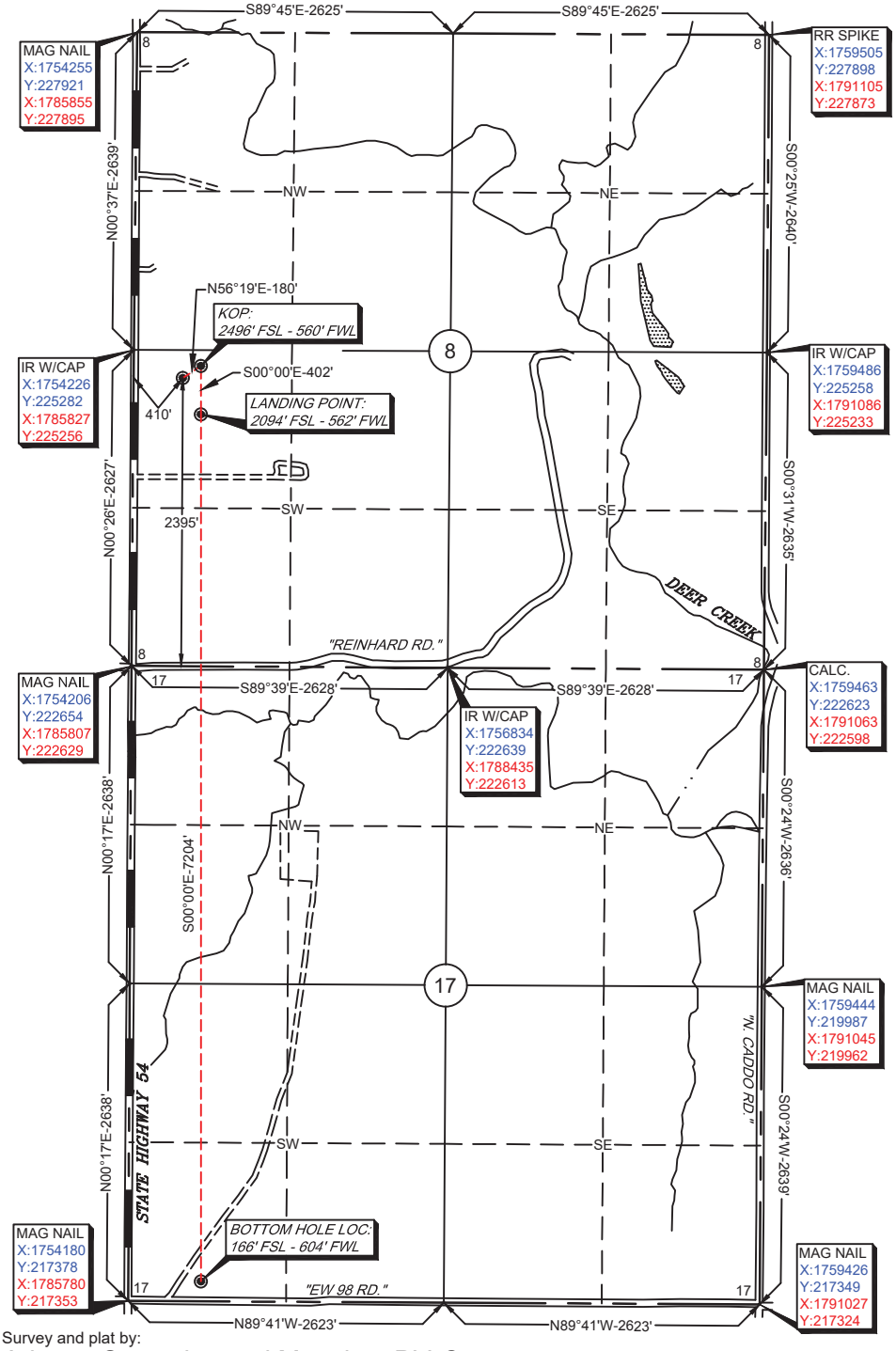
LANCE G. MATHIS OK LPLS 1664



Well Location Plat

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B.H.L. Sec.17-13N-14W I.M.

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Lease Name and No.: WL 1H-8-17
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Section: 8 Township: 13N Range: 14W I.M.
County: Custer State of Oklahoma
Terrain at Loc.: Location fell in a plowed field.



All bearings shown are grid bearings.

0' 750' 1500' 2250'

1" = 1500'

GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

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08/27/18

LANCE G. MATHIS OK LPLS 1664

LICENSED PROFESSIONAL LAND SURVEYOR
LANCE G. MATHIS
1664
OKLAHOMA