

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

API NUMBER: 039 22588

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 SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2435 380

Lease Name: WL Well No: 2H-8-5 Well will be 380 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 HWY 66
EL RENO OK 73036

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	15250

Spacing Orders: 703823
705508

Location Exception Orders: 705509

Increased Density Orders: 708162

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 23143

Ground Elevation: 1625

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 400

Deep surface casing has been approved

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 20-37368
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: 5	Township: 13N	Range: 14W	Total Length: 7570
County: CUSTER			Measured Total Depth: 23143
Spot Location of End Point: NE	NW	NW	True Vertical Depth: 15300
Feet From: NORTH	1/4 Section Line: 165		End Point Location from
Feet From: WEST	1/4 Section Line: 380		Lease, Unit, or Property Line: 165

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: 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
INCREASED DENSITY - 708162 (201903853)	6/10/2020 - GC2 - 8-13N-14W X703823 MSSP 1 WELL CITIZEN ENERGY III, LLC 1-29-2020
LOCATION EXCEPTION - 705509 (201903850)	6/10/2020 - GC2 - (I.O.) 5 & 8-13N-14W X703823 MSSP 5 & 8-13N-14W COMPL. INT. (8-13N-14W) NCT 0' FNL, NCT 1,320' FSL, NCT 330' FWL COMPL. INT. (5-13N-14W) NCT 0' FSL, NCT 165' 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) 5 & 8-13N-14W VAC 104778 MSSP 5 & 8-13N-14W VAC OTHER EST MSSP COMPL. INT. NCT 660' FB
SPACING - 705508 (201903849)	6/10/2020 - GC2 - (I.O.) 5 & 8-13N-14W EST MULTIUNIT HORIZONTAL WELL X703823 MSSP 8 & 17-13N-14W 33% 8-13N-14W 67% 5-13N-14W CITIZEN ENERGY III, LLC 11-22-2019
SURFACE CASING	6/10/2020 - G71 - MIN. 500' PER ORDER 42589

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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.



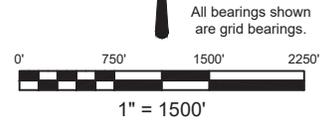
CITIZENENERGY

Well Location Plat

S.H.L. Sec. 8-13N-14W I.M.
B.H.L. Sec. 5-13N-14W I.M.

Operator: CITIZEN ENERGY II, LLC
Lease Name and No.: WL 2H-8-5
Surface Hole Location: 2435' FSL - 380' FWL Gr. Elevation: 1625'
NE/4-NW/4-NW/4-SW/4 Section: 8 Township: 13N Range: 14W I.M.
Bottom Hole Location: 165' FNL - 380' FWL
NE/4-NW/4-NW/4-NW/4 Section: 5 Township: 13N Range: 14W I.M.
County: Custer State of Oklahoma
Terrain at Loc.: Location fell in a plowed field.

API:039-22588

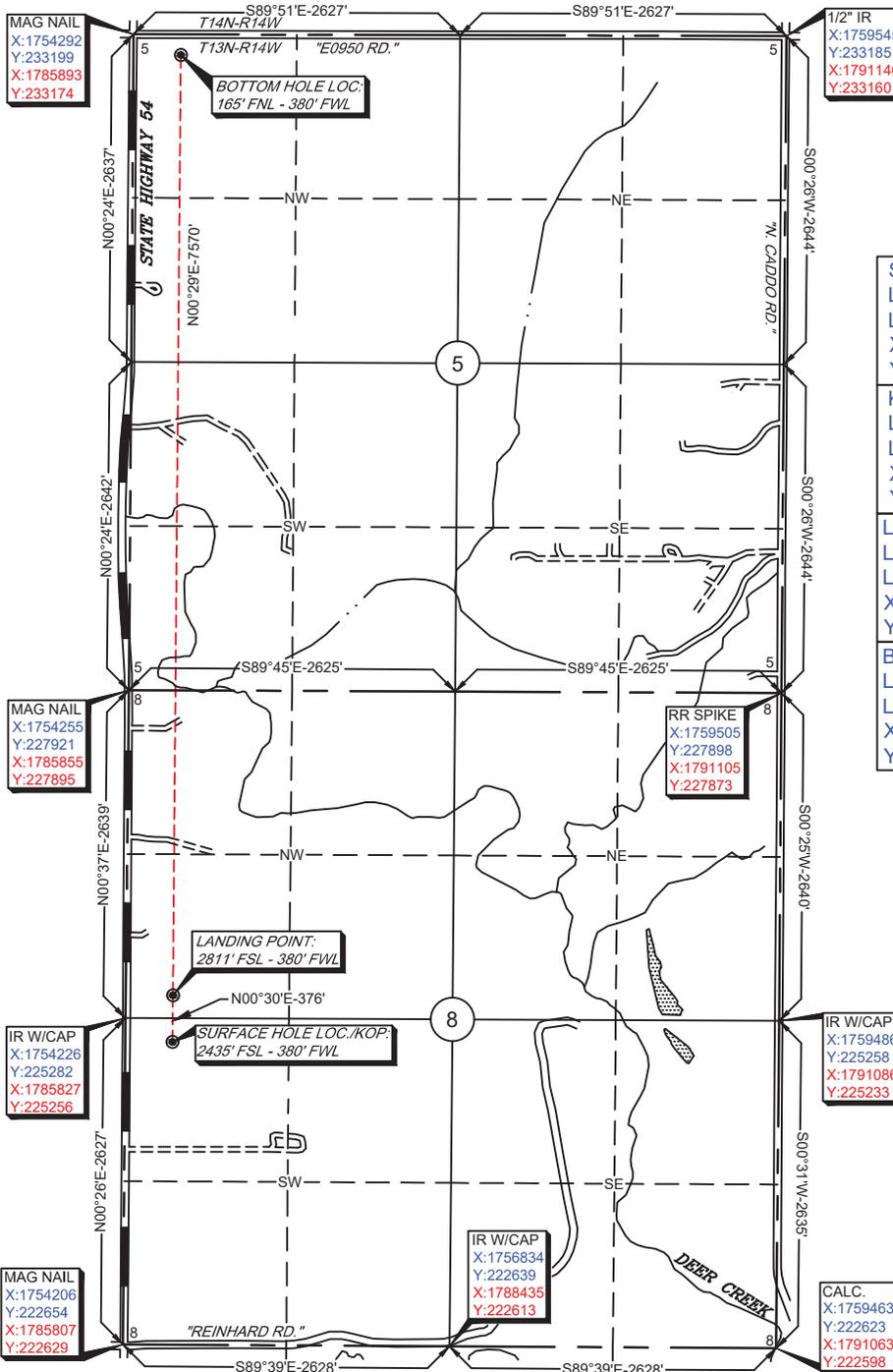


GPS DATUM

NAD 83

NAD 27

OK NORTH ZONE



Surface Hole Loc.: Lat: 35.61616173 Lon: -98.71962082 X: 1754605 Y: 225087	Surface Hole Loc.: Lat: 35.61611094 Lon: -98.71926490 X: 1786205 Y: 225062
KOP: Lat: 35.61616173 Lon: -98.71962082 X: 1754605 Y: 225087	KOP: Lat: 35.61611094 Lon: -98.71926490 X: 1786205 Y: 225062
Landing Point: Lat: 35.61719581 Lon: -98.71961925 X: 1754608 Y: 225463	Landing Point: Lat: 35.61714503 Lon: -98.71926329 X: 1786208 Y: 225438
Bottom Hole Loc.: Lat: 35.63799147 Lon: -98.71959437 X: 1754671 Y: 233033	Bottom Hole Loc.: Lat: 35.63794103 Lon: -98.71923765 X: 1786272 Y: 233008

-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 herein 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 proportional 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-B-B
Date Staked: 06/02/2020 By: D.A.
Date Drawn: 06/03/2020 By: J.K.
Corrected LP Text: 06/10/2020 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.

Lance G. Mathis
LANCE G. MATHIS

06/10/2020

OK LPLS 1664

