

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

API NUMBER: 039 22574

Approval Date: 04/15/2019

Expiration Date: 10/15/2020

Horizontal Hole
Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 14N Rge: 15W

County: CUSTER

SPOT LOCATION:

SW

NW

NW

SW

FEET FROM QUARTER: FROM

SOUTH

FROM

WEST

SECTION LINES:

2190

280

Lease Name: LANCET

Well No: 1H-17-8

Well will be 280 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

SUE ANN LANCET
P.O. BOX 5
THOMAS OK 73669

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	14000	6	
2	WOODFORD	14800	7	
3			8	
4			9	
5			10	

Spacing Orders: 681955
685370

Location Exception Orders: 685371

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 22745

Ground Elevation: 1697

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 390

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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 BED AQUIFER

Pit Location Formation: RUSH SPRINGS

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 19-36489

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

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: RUSH SPRINGS

HORIZONTAL HOLE 1

Sec 08 Twp 14N Rge 15W County CUSTER

Spot Location of End Point: N2 NW NW NW

Feet From: NORTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 330

Depth of Deviation: 13825

Radius of Turn: 479

Direction: 1

Total Length: 8168

Measured Total Depth: 22745

True Vertical Depth: 14800

End Point Location from Lease,
Unit, or Property Line: 165

Additional Surface Owner	Address	City, State, Zip
SUE ANN LANCET	P.O. BOX 5	THOMAS, OK 73669

Notes:

Category

Description

DEEP SURFACE CASING

4/12/2019 - 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

4/12/2019 - 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

LOCATION EXCEPTION - 685371

4/15/2019 - G56 - (I.O.) 8 & 17-14N-15W
X681955 MSSP, WDFD
COMPL INT (17-14N-15W) NCT 1320' FSL, NCT 0' FNL, NCT 330' FWL
COMPL INT (8-14N-15W) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL
CITIZEN ENERGY III, LLC
10/23/2018

This permit does not address the right of entry or settlement of surface damages.

039 22574 LANCET 1H-17-8

The duration of this permit is SIX 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.

Category	Description
MEMO	4/12/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 681955	4/15/2019 - G56 - (640)(HOR) 8 & 17-14N-15W VAC 120632 CSTR, MPMC EST MSSP, WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL
SPACING - 685370	4/15/2019 - G56 - (I.O.) 8 & 17-14N-15W ESTABLISH MULTIUNIT HORIZONTAL WELL X681955 MSSP, WDFD (WDFD IS AN ADJACENT COMMON SOURCE OF SUPPLY TO MSSP) 33% 17-14N-15W 67% 8-14N-15W CITIZEN ENERGY III, LLC 10/23/2018
SURFACE CASING	4/12/2019 - G71 - MIN. 500' PER ORDER 42589



Well Location Plat

S.H.L. Sec. 17-14N-15W I.M.
B.H.L. Sec. 8-14N-15W I.M.

Operator: CITIZEN ENERGY, LLC

Lease Name and No.: LANCET 1H-17-8

Footage: 2190' FSL - 280' FWL Gr. Elevation: 1697'

Section: 17 Township: 14N Range: 15W I.M.

County: Custer State of Oklahoma

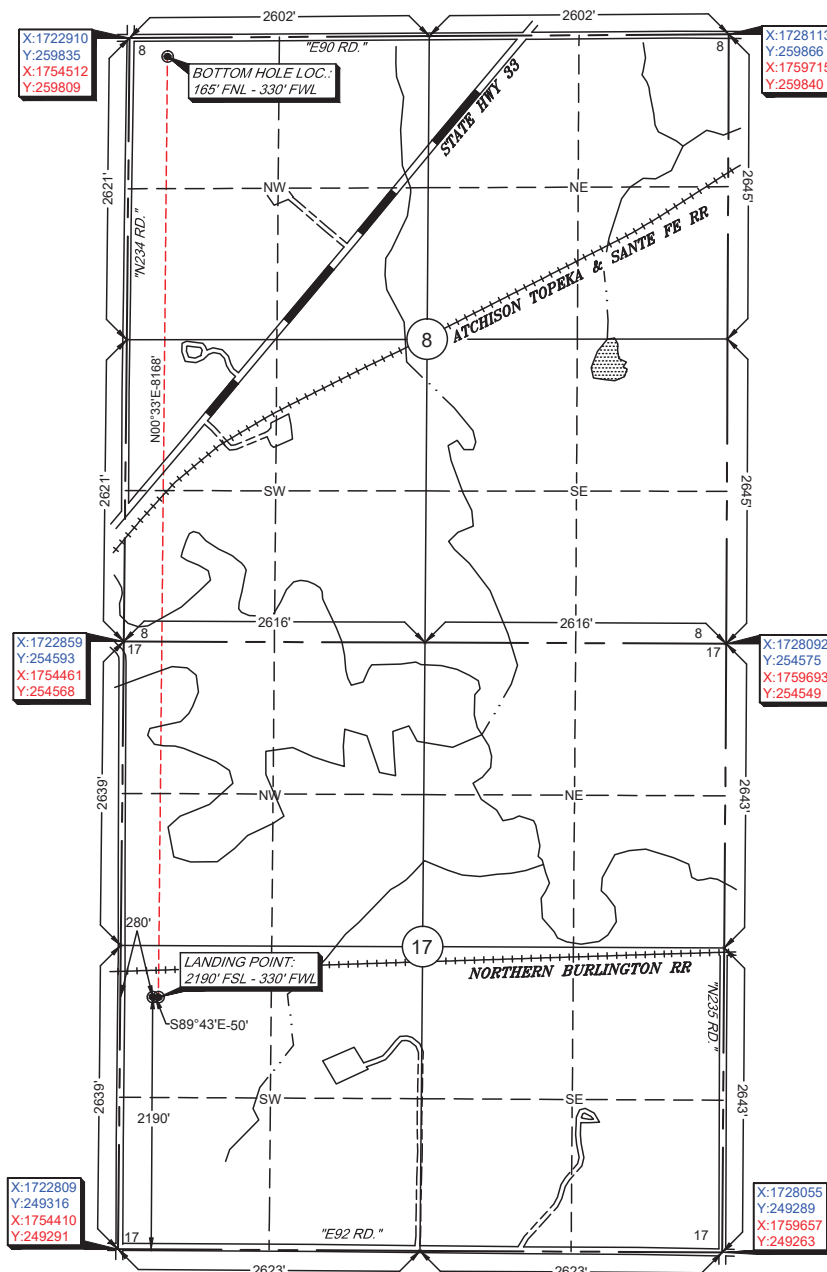
Terrain at Loc.: Location fell in an open wheat field, sloping down to the North.



All bearings shown
are grid bearings.



1" = 1320'



GPS DATUM

NAD 83

NAD 27

OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°41'16.96"N
Lon: 98°49'34.80"W
Lat: 35.68804414
Lon: -98.82633291
X: 1723110
Y: 251505

Surface Hole Loc.:
Lat: 35°41'16.78"N
Lon: 98°49'33.49"W
Lat: 35.68799488
Lon: -98.82597026
X: 1754711
Y: 251479

Landing Point:
Lat: 35°41'16.96"N
Lon: 98°49'34.19"W
Lat: 35.68804464
Lon: -98.82616453
X: 1723160
Y: 251504

Landing Point:
Lat: 35°41'16.78"N
Lon: 98°49'32.89"W
Lat: 35.68799538
Lon: -98.82580189
X: 1754761
Y: 251479

Bottom Hole Loc.:
Lat: 35°42'37.74"N
Lon: 98°49'34.08"W
Lat: 35.71048313
Lon: -98.82613361
X: 1723238
Y: 259672

Bottom Hole Loc.:
Lat: 35°42'37.56"N
Lon: 98°49'32.77"W
Lat: 35.71043419
Lon: -98.82577017
X: 1754840
Y: 259646

-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

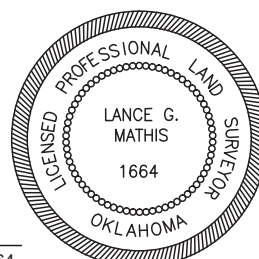
Expires June 30, 2020

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

07/11/18
OK LPLS 1664



Invoice #7958-A

Date Staked: 06/29/18 By: H.S.

Date Drawn: 07/05/18 By: K.B.