

API NUMBER: 051 24786

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

Approval Date: 05/22/2020

Expiration Date: 11/22/2021

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 26 Township: 10N Range: 6W County: GRADY

SPOT LOCATION: ☐ NE ☐ NW ☐ NE ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 280 1720

Lease Name: SILVER CITY

Well No: 2H-23-14

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

LANA JO BAZHAW

1916 NORTH CIMMARON ROAD

TUTTLE OK 73089

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

	Name	Code	Depth
1	MISSISSIPPI	351MISS	9700
2	MISSISSIPPIAN	359MSSP	9700

Spacing Orders: 242927

237110

710909

Location Exception Orders: 710952

Increased Density Orders: 711485

707531

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 14975

Ground Elevation: 1261

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 60

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: 20-37360

H. 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: 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: 14	Township: 10N	Range: 6W	Total Length: 10022
County: CANADIAN			Measured Total Depth: 20045
Spot Location of End Point: N2	N2	N2	True Vertical Depth: 9750
Feet From: NORTH	1/4 Section Line: 165		End Point Location from
Feet From: WEST	1/4 Section Line: 2640		Lease, Unit, or Property Line: 165

NOTES:

Category	Description
DEEP SURFACE CASING	5/20/2020 - 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	5/20/2020 - 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 - 707531 (201905744)	5/22/2020 - GC2 - 23-10N-6W X242927 MISS 2 WELLS CITIZEN ENERGY III, LLC 1-14-2020
INCREASED DENSITY - 711485 (201905743)	5/22/2020 - GC2 - 14-10N-6W X237110 MSSP 2 WELLS NO OP. NAMED 5-11-2020
LOCATION EXCEPTION - 710952 (201905742)	5/22/2020 - GC2 - (I.O.) 14 & 23-10N-6W X237110 MSSP 14-10N-6W X242927 MISS 23-10N-6W COMPL. INT. (23-10N-6W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (14-10N-6W) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL NO OP. NAME 4-24-2020
MEMO	5/20/2020 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 237110	5/22/2020 - GC2 - (640) 14-10N-6W EXT OTHERS EXT MSSP, OTHER EST OTHERS
SPACING - 242927	5/22/2020 - GC2 - (640) 23-10N-6W EXT 91509/237110 MISS, OTHERS EST OTHERS
SPACING - 710909 (201905740)	5/22/2020 - GC2 - (I.O.) 14 & 23-10N-6W EST MULTIUNIT HORIZONTAL WELL X237110 MSSP 14-10N-6W X242927 MISS 23-10N-6W 50% 14-10N-6W 50% 23-10N-6W NO OP. NAMED 4-23-2020

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051 24786 SILVER CITY 2H-23-14