

API NUMBER: 017 25757 A

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

Approval Date: 01/04/2022

Expiration Date: 07/04/2023

Horizontal Hole Oil & Gas

Amend reason: CORRECT SHL

**AMEND PERMIT TO DRILL**

WELL LOCATION: Section: 16 Township: 10N Range: 5W County: CANADIAN

SPOT LOCATION: SE SW SW SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 260 2196

Lease Name: NOWLIN Well No: 1H-21 Well will be 260 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

BRAD NOWLIN  
13401 S. MUSTANG RD  
MUSTANG OK 73064

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	8900

Spacing Orders: 723554

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202102979

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

Special Orders: No Special

Total Depth: 14300

Ground Elevation: 1197

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 160

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: 21-38026

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: ALLUVIAL

Pit Location Formation: ALLUVIUM

**PIT 2 INFORMATION**

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 250000

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: ALLUVIAL

Pit Location Formation: ALLUVIUM

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: 21	Township: 10N	Range: 5W	Meridian: IM	Total Length: 4727
	County: GRADY			Measured Total Depth: 14300
Spot Location of End Point: S2	S2	S2	S2	True Vertical Depth: 8900
Feet From: <b>SOUTH</b>		1/4 Section Line: 165		End Point Location from
Feet From: <b>EAST</b>		1/4 Section Line: 2640		Lease, Unit, or Property Line: 165

**NOTES:**

Category	Description
DEEP SURFACE CASING	[1/3/2022 - GC2] - 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	<p>[1/3/2022 - 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 HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</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	[1/3/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202102979	<p>[1/4/2022 - G56] - (E.O.) 21-10N-5W</p> <p>X202102978 MSSP</p> <p>SHL 260' FSL, 2176' FEL</p> <p>COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 200' FEL</p> <p>NO OP NAMED</p> <p>REC 1/3/2022 (MILLER)</p>
SPACING - 723554	<p>[8/17/2022 - G56] - (640)(HOR) 21-10N-5W</p> <p>EST MSSP</p> <p>POE TO BHL NCT 660' FB</p> <p>(COEXIST WITH SP # 255877 MSSP)</p>