

API NUMBER: 017 25750

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

Approval Date: 12/29/2021
Expiration Date: 06/29/2023

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 01 Township: 10N Range: 6W County: CANADIAN

SPOT LOCATION: ☐ NW ☐ SW ☐ SW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 2262 2341

Lease Name: WALTHER Well No: 1H-1-36 Well will be 2262 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

GOLDIE ANN WALTHER REVOCABLE TRUST
14000 SW 89TH STREET
MUSTANG OK 73064

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

Name	Code	Depth
1 WOODFORD	319WDFD	9100

Spacing Orders: 666770 Location Exception Orders: 719445 Increased Density Orders: 719864
669273
719417

Pending CD Numbers: 202101054

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 16600 Ground Elevation: 1263

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 260

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: 21-38020
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: BED AQUIFER

Pit Location Formation: DUNCAN

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: BED AQUIFER

Pit Location Formation: DUNCAN

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: 36	Township: 11N	Range: 6W	Meridian: IM	Total Length: 7306
County: CANADIAN				Measured Total Depth: 16600
Spot Location of End Point: NE	NW	NW	NE	True Vertical Depth: 9100
Feet From: NORTH	1/4 Section Line: 165		End Point Location from	
Feet From: EAST	1/4 Section Line: 2063		Lease, Unit, or Property Line: 165	

NOTES:

Category	Description
DEEP SURFACE CASING	[12/16/2021 - 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>[12/16/2021 - 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 6000NH shall be used and is found at this link: OCCWEB.COM/OG/OGFORMS.HTML; 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 FRACFOCUS.ORG</p>
INCREASED DENSITY – 719864	<p>[12/29/2021 - GB6] - 1-10N-6W X669273 WDFD 4 WELLS CITIZEN ENERGY III, LLC 08/03/2021</p>
LOCATION EXCEPTION – 719445 (202101042)	<p>[12/29/2021 - GB6] - (I.O.) 1-10N-6W & 36-11N-6W X669273 WDFD 1-10N-6W X666770 WDFD 36-11N-6W COMPL. INT. (1-10N-6W) NCT 2640' FSL, NCT 0' FNL, NCT 1600' FEL COMPL. INT. (36-11N-6W) NCT 0' FSL, NCT 165' FNL, NCT 1600' FEL CITIZEN ENERGY III, LLC 07/14/2021</p>
MEMO	[12/16/2021 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD – 202101054	<p>[12/29/2021 - GB6] - (I.O.) 36-11N-6W X666770 WDFD 2 WELLS CITIZEN ENERGY III, LLC REC. 06/28/2021 (MOORE)</p>
SPACING – 666770	<p>[12/29/2021 - GB6] - (640)(HOR) 36-11N-6W EXT 655175 WDFD COMPL. INT. (WDFD) NLT 165' FNL, NLT 165' FSL, NLT 330' FWL, NLT 330' FEL (COEXIST 189474 WDFD)</p>
SPACING – 669273	<p>[12/29/2021 - GB6] - (640)(HOR) 1-10N-6W EST WDFD, OTHER COMPL. INT. (WDFD) NLT 165' FNL, NLT 165' FSL, NLT 330' FWL, NLT 330' FEL (COEXIST OTHER)</p>
SPACING – 719497 (202101041)	<p>[12/29/2021 - GB6] - (I.O.) 1-10N-6W & 36-11N-6W EST MULTIUNIT HORIZONTAL WELL X669273 WDFD 1-10N-6W X666770 WDFD 36-11N-6W 33% 1-10N-6W 67% 36-11N-6W CITIZEN ENERGY III, LLC 07/16/2021</p>

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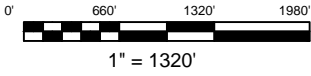
Well Location Plat

S.H.L. Sec. 1-10N-6W I.M.
B.H.L. Sec. 36-11N-6W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: WALTHER 1H-1-36
Surface Hole Location: 2262' FNL - 2341' FEL Gr. Elevation: 1263'
NW/4-SW/4-SW/4-NE/4 Section: 1 Township: 10N Range: 6W I.M.
Bottom Hole Location: 165' FNL - 2063' FEL
NE/4-NW/4-NW/4-NE/4 Section: 36 Township: 11N Range: 6W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in open pasture with small terraces. Location slopes down toward Southwest.



All bearings shown
are grid bearings.



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°22'15.27"N
Lon: 97°47'08.03"W
Lat: 35.37090864
Lon: -97.78556315
X: 2032436
Y: 135090
Surface Hole Loc.:
Lat: 35°22'15.06"N
Lon: 97°47'06.87"W
Lat: 35.37084962
Lon: -97.78524171
X: 2064033
Y: 135065
Landing Point:
Lat: 35°22'15.78"N
Lon: 97°47'04.68"W
Lat: 35.37104980
Lon: -97.78463216
X: 2032713
Y: 135142
Landing Point:
Lat: 35°22'15.57"N
Lon: 97°47'03.52"W
Lat: 35.37099077
Lon: -97.78431074
X: 2064310
Y: 135117
Bottom Hole Loc.:
Lat: 35°23'28.04"N
Lon: 97°47'04.20"W
Lat: 35.39112137
Lon: -97.78449874
X: 2032737
Y: 142448
Bottom Hole Loc.:
Lat: 35°23'27.83"N
Lon: 97°47'03.04"W
Lat: 35.39106301
Lon: -97.78417717
X: 2064334
Y: 142423



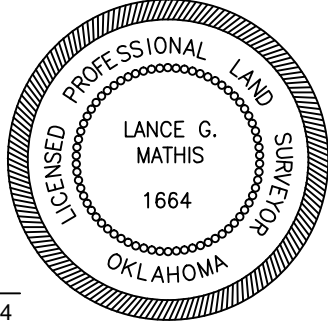
-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: 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, 2022

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.

Invoice #9364-A-A
Date Staked: N/A By: N/A
Date Drawn: 12/07/2021 By: J.L.

LANCE G. MATHIS
12/13/2021
OK LPLS 1664





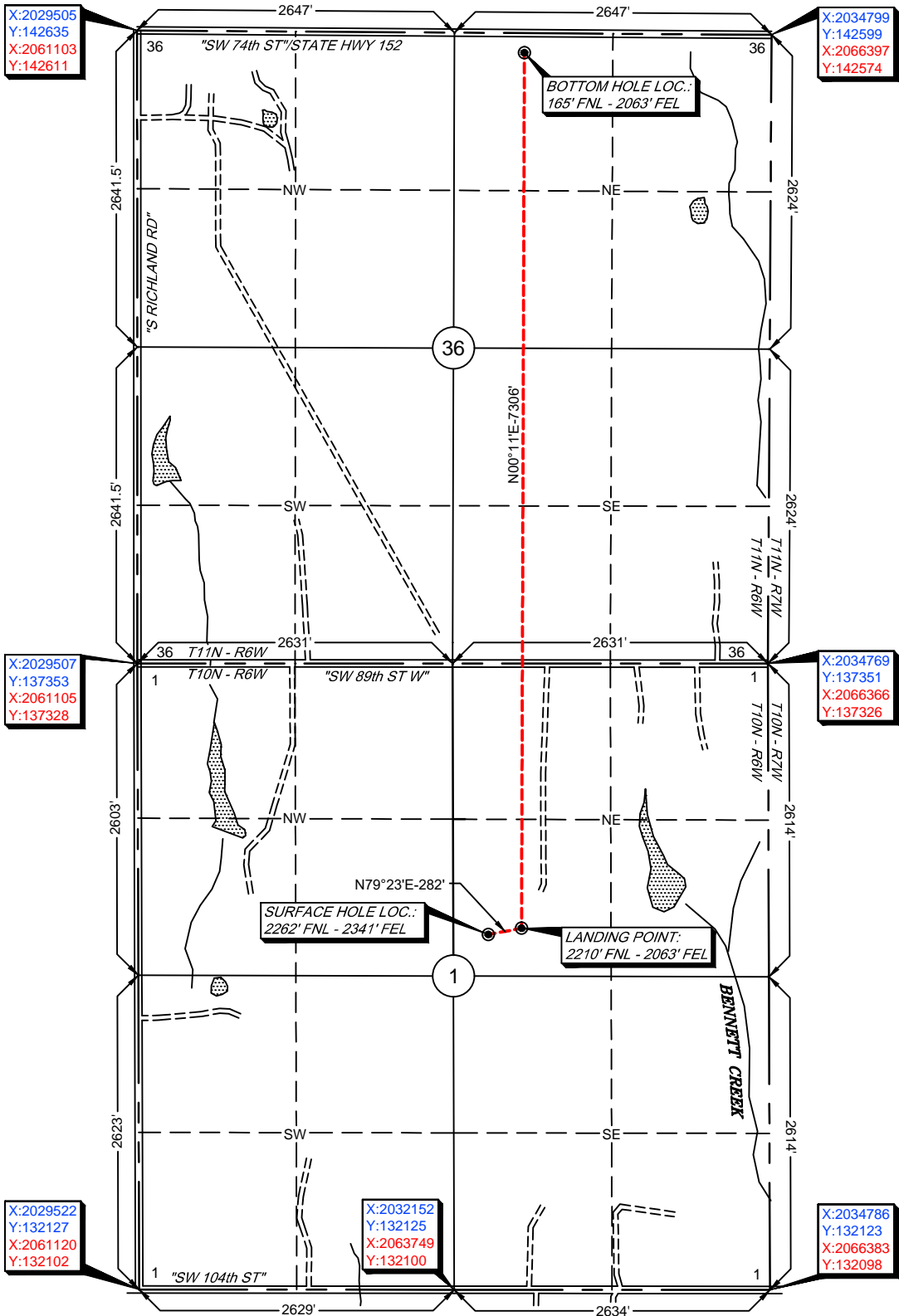
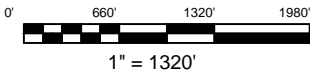
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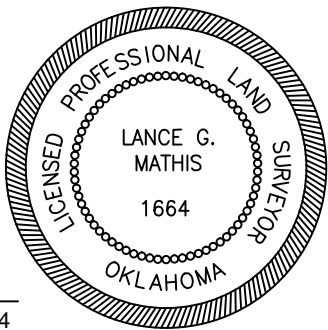
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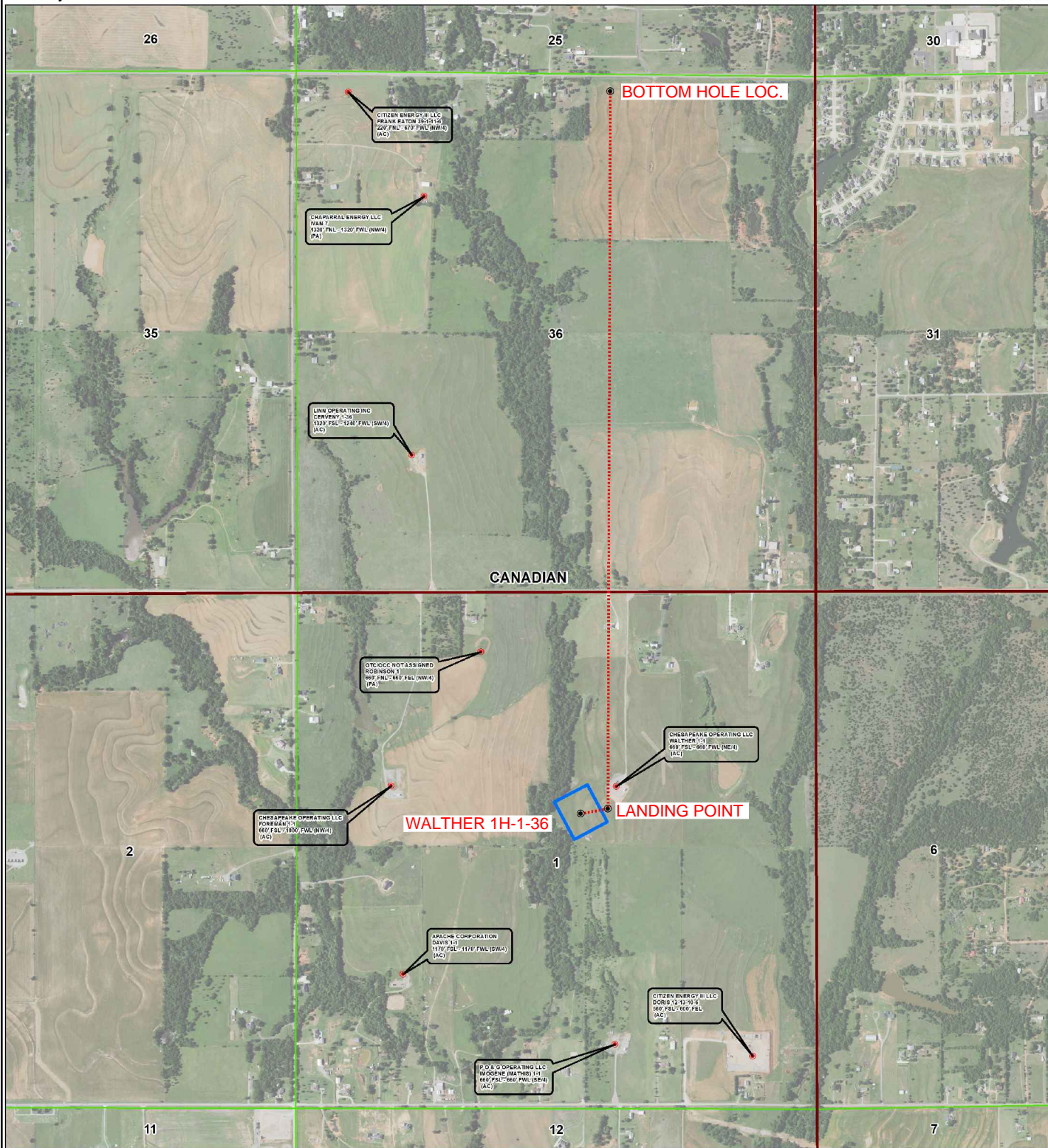
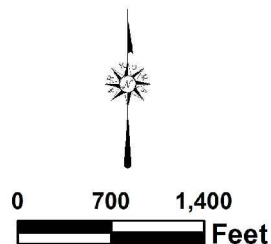
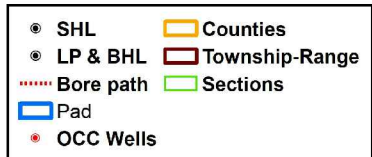
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Date Staked: N/A By: N/A
Date Drawn: 12/07/2021 By: J.L.



Anti-Collision

Secs. 1-10N-6W I.M.
& 36-11N-6W I.M.

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Sec. 36 Township: 11N Range: 6W I.M.
County: Canadian State of Oklahoma





Topographic Vicinity Map

Operator: CITIZEN ENERGY, LLC

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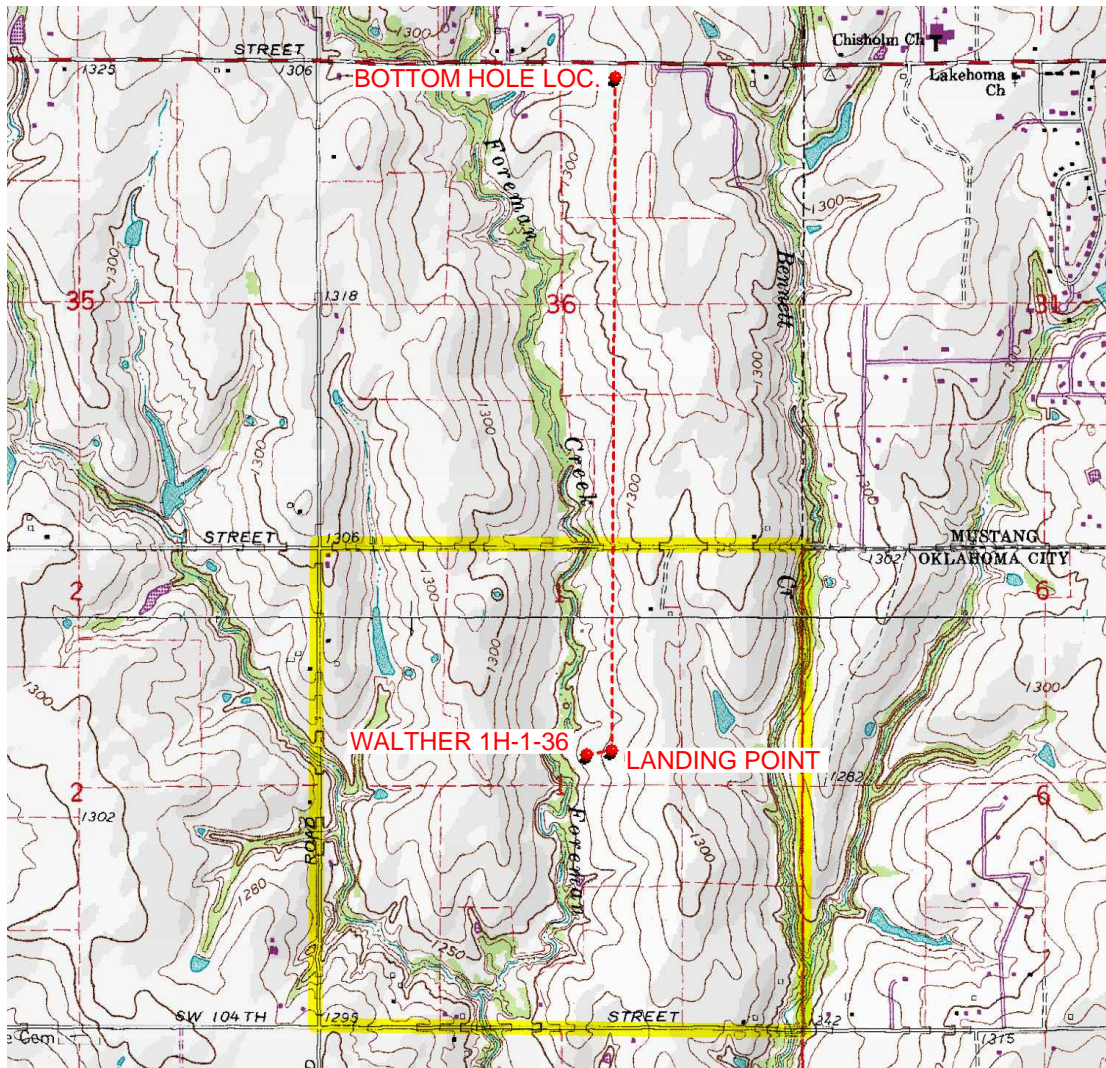
Sec. 36 Township: 11N Range: 6W I.M.

County: Canadian State of Oklahoma



Scale 1" = 2000'
Contour Interval: 10'

Ground Elevation at Surface Hole Location: 1263'



Provided by:

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Certificate of Authorization No. 5348

Expires June 30, 2022

Date Staked: 04/21/2021

The purpose of this map is to verify the location and elevation as staked on the ground and to show the surrounding Topographic features. The footage shown hereon is only as SCALED onto a U.S.G.S. Topographic Map.

Please note that this location was staked carefully on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed.

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CITIZENENERGY

Operator: CITIZEN ENERGY, LLC

Accessibility: From the North.

Directions: From the junction of "S. Mustang Rd." & Highway 152 in Mustang, OK, go 1.0 miles South on "S. Mustang Rd.", then 3.3 miles West on "SW 89th St." to the entrance of an existing lease road.

1 inch = 0.75 mile

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