

API NUMBER: 017 25660

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

Approval Date: 03/30/2021
Expiration Date: 09/30/2022

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 02 Township: 10N Range: 7W County: CANADIAN

SPOT LOCATION: ☐ NE ☐ NE ☐ NW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 310 1620

Lease Name: ESTES Well No: 3H-2 Well will be 310 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

JANICE ESTES
5725 RENO RD W.
EL RENO OK 73036

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

| Name | Code | Depth |
|------------------|---------|-------|
| 1 CHEROKEE GROUP | 404CHRG | 9500 |

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density Orders

Pending CD Numbers: 202100372
202100373

Working interest owners' notified: ***

Special Orders: No Special Orders

Total Depth: 14500 Ground Elevation: 1298

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 290

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: 21-37562

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: CHICKASHA

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: CHICKASHA

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: 2 Township: 10N Range: 7W Meridian: IM Total Length: 5200
 County: CANADIAN Measured Total Depth: 14500
 Spot Location of End Point: C SW SW True Vertical Depth: 9500
 Feet From: **SOUTH** 1/4 Section Line: 660 End Point Location from
 Feet From: **WEST** 1/4 Section Line: 660 Lease, Unit, or Property Line: 660

NOTES:

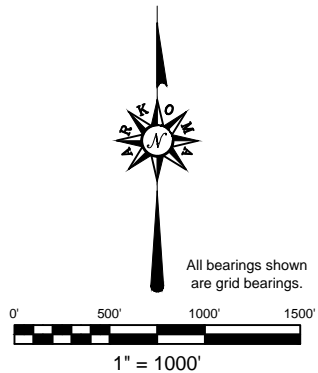
| Category | Description |
|------------------------|--|
| DEEP SURFACE CASING | [3/25/2021 - GC2] - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING |
| HYDRAULIC FRACTURING | <p>[3/25/2021 - GC2] - 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 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCEWEB.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> |
| MEMO | [3/25/2021 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 202100372 | <p>[3/29/2021 - GB1] - (E.O.)(640)(HOR) 2-10N-7W EST CHRGP COMPL INT NCT 660' FB (COEXIST SP #107705 PRUE, SKNR, CHRRF)*** REC 3/26/2021 (MOORE)</p> <p>*** S/B COEXIST W/ #107705 OSBR AND #368453 BRVL ALSO; WILL AMEND AT MERIT HEARING PER ATTORNEY FOR OPR</p> |
| PENDING CD - 202100373 | <p>[3/29/2021 - GB1] - (E.O.) 2-10N-7W X202100372 CHRGP COMPL INT NCT 165' FNL, NCT 165' FSL, NCT 165' FWL*** CITIZEN ENERGY III, LLC REC 3/26/2021 (MOORE)</p> <p>***WILL BE CORRECTED TO NCT 330' FB AT MERIT HEARING PER ATTORNEY FOR OPR</p> |



Well Location Plat

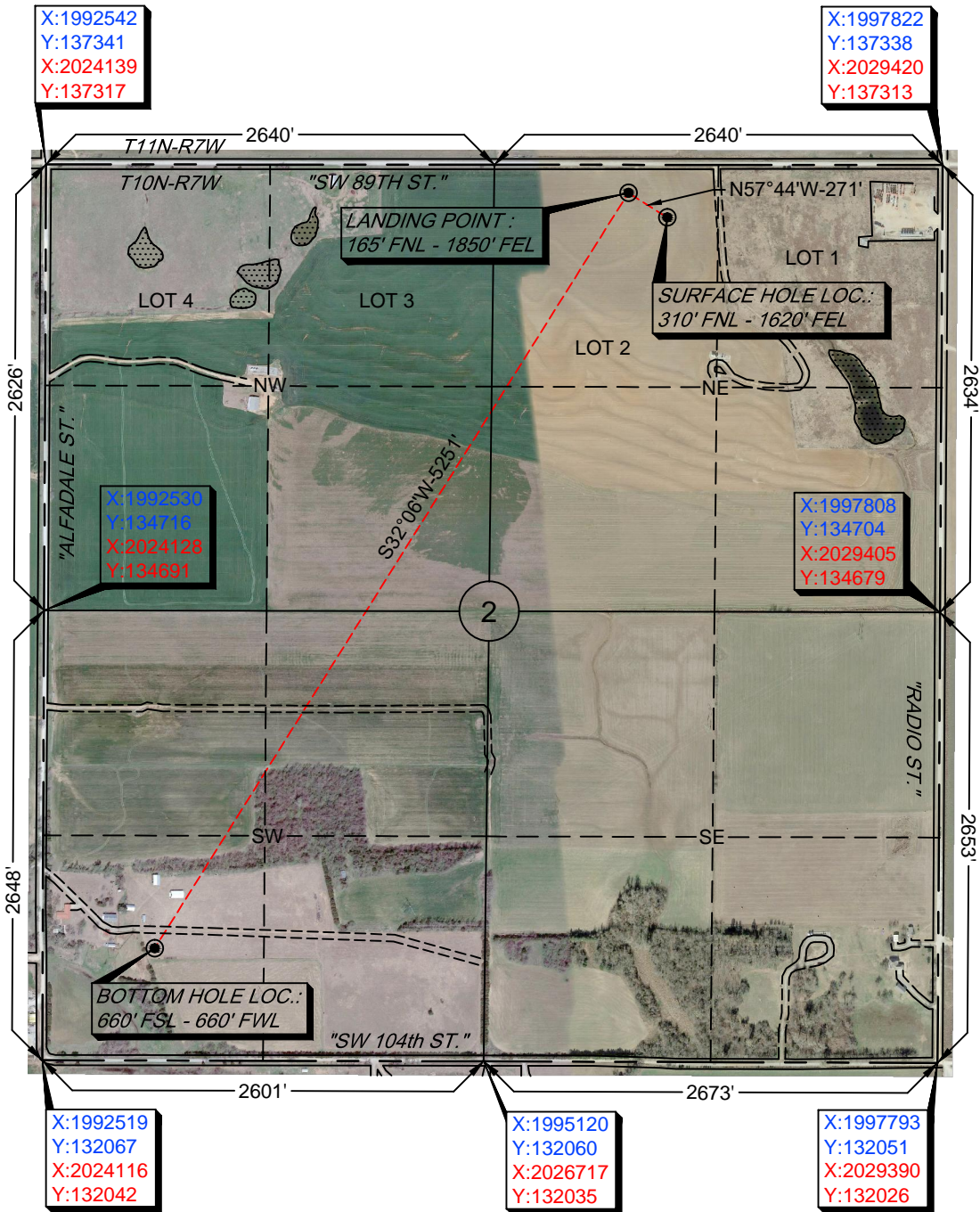
Sec. 2-10N-7W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: ESTES 3H-2
Surface Hole Location: 310' FNL - 1620' FEL Gr. Elevation: TBD
NE/4-NE/4-NW/4-NE/4 Section: 2 Township: 10N Range: 7W I.M.
Bottom Hole Location: 660' FSL - 660' FWL
NW/4-SE/4-SW/4-SW/4 Section: 2 Township: 10N Range: 7W I.M
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in open crop field.



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

| |
|--------------------|
| Surface Hole Loc.: |
| Lat: 35°22'35.01"N |
| Lon: 97°54'25.51"W |
| Lat: 35.37639293 |
| Lon: -97.90708684 |
| X: 1996201 |
| Y: 137029 |
| Surface Hole Loc.: |
| Lat: 35°22'34.81"N |
| Lon: 97°54'24.35"W |
| Lat: 35.37633541 |
| Lon: -97.90676250 |
| X: 2027798 |
| Y: 137004 |
| Landing Point: |
| Lat: 35°22'36.45"N |
| Lon: 97°54'28.28"W |
| Lat: 35.37679101 |
| Lon: -97.90785513 |
| X: 1995971 |
| Y: 137173 |
| Landing Point: |
| Lat: 35°22'36.24"N |
| Lon: 97°54'27.11"W |
| Lat: 35.37673352 |
| Lon: -97.90753077 |
| X: 2027568 |
| Y: 137149 |
| Bottom Hole Loc.: |
| Lat: 35°21'52.48"N |
| Lon: 97°55'02.01"W |
| Lat: 35.36457728 |
| Lon: -97.91722583 |
| X: 1993182 |
| Y: 132725 |
| Bottom Hole Loc.: |
| Lat: 35°21'52.27"N |
| Lon: 97°55'00.84"W |
| Lat: 35.36451948 |
| Lon: -97.91690137 |
| X: 2024779 |
| Y: 132700 |



-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

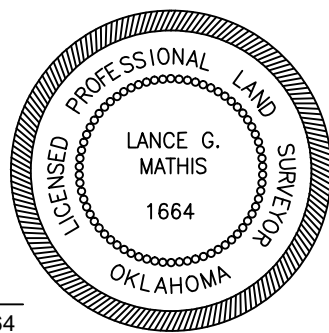
Certification:

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.

LANCE G. MATHIS

02/01/2021

OK LPLS 1664



Invoice #9215-C

Date Staked: N/A

Date Drawn: 01/29/2021

By: S.S.

Revised BHL: 02/01/2021

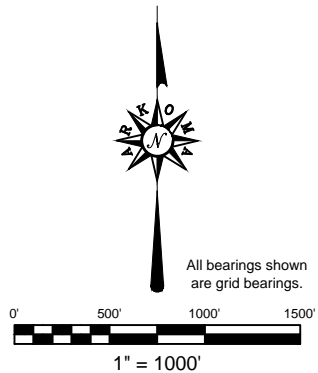
By: S.S.



Well Location Plat

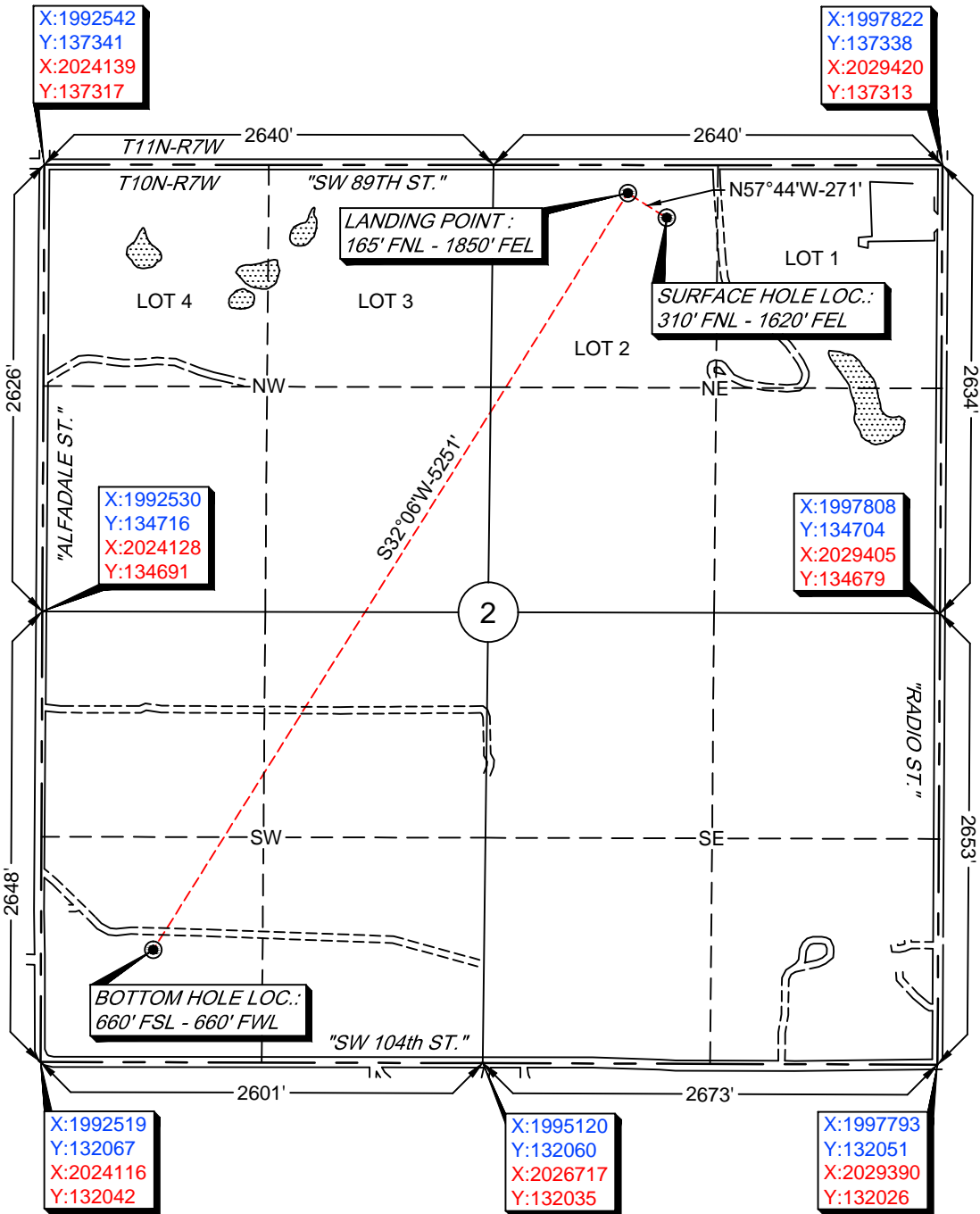
Sec. 2-10N-7W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: ESTES 3H-2
Surface Hole Location: 310' FNL - 1620' FEL Gr. Elevation: TBD
NE/4-NE/4-NW/4-NE/4 Section: 2 Township: 10N Range: 7W I.M.
Bottom Hole Location: 660' FSL - 660' FWL
NW/4-SE/4-SW/4-SW/4 Section: 2 Township: 10N Range: 7W I.M
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in open crop field.



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NAD 27
OK NORTH ZONE

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| Lon: -97.90753077 |
| X: 2027568 |
| Y: 137149 |
| Bottom Hole Loc.: |
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| Lon: -97.91722583 |
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| Lon: -97.91690137 |
| X: 2024779 |
| Y: 132700 |



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Certificate of Authorization No. 5348
Expires June 30, 2022

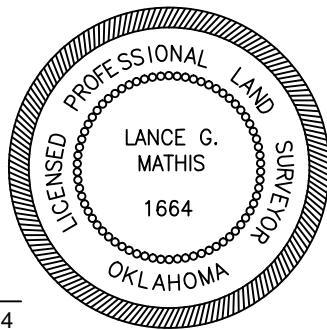
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LANCE G. MATHIS

02/01/2021

OK LPLS 1664



Invoice #9215-C

Date Staked: N/A

Date Drawn: 01/29/2021

By: S.S.

Revised BHL: 02/01/2021

By: S.S.

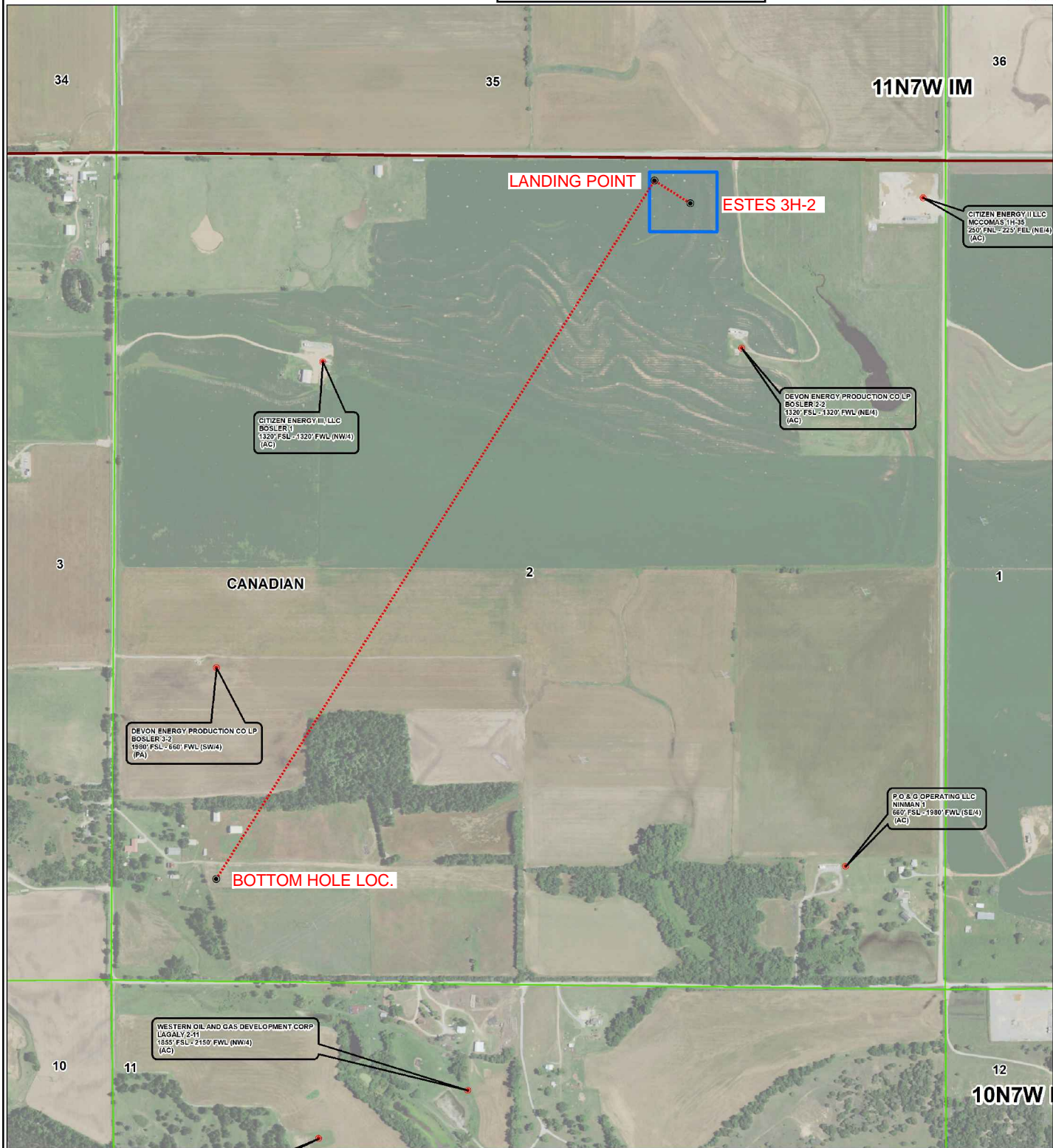
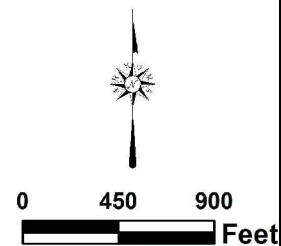


Anti-Collision

Sec. 2-10N-7W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: ESTES 3H-2
Surface Hole Location: 310' FNL - 1620' FEL
Landing Point: 165' FNL - 1850' FEL
Bottom Hole Location: 660' FSL - 660' FWL
Sec. 2 Twp. 10N Rng. 7W I.M
County: Canadian State of Oklahoma

- | | |
|-----------------|----------------|
| ● SHL | Counties |
| ● LP & BHL | Township-Range |
| Bore Path | Sections |
| ■ PAD | |
| ● OCC Wells | |





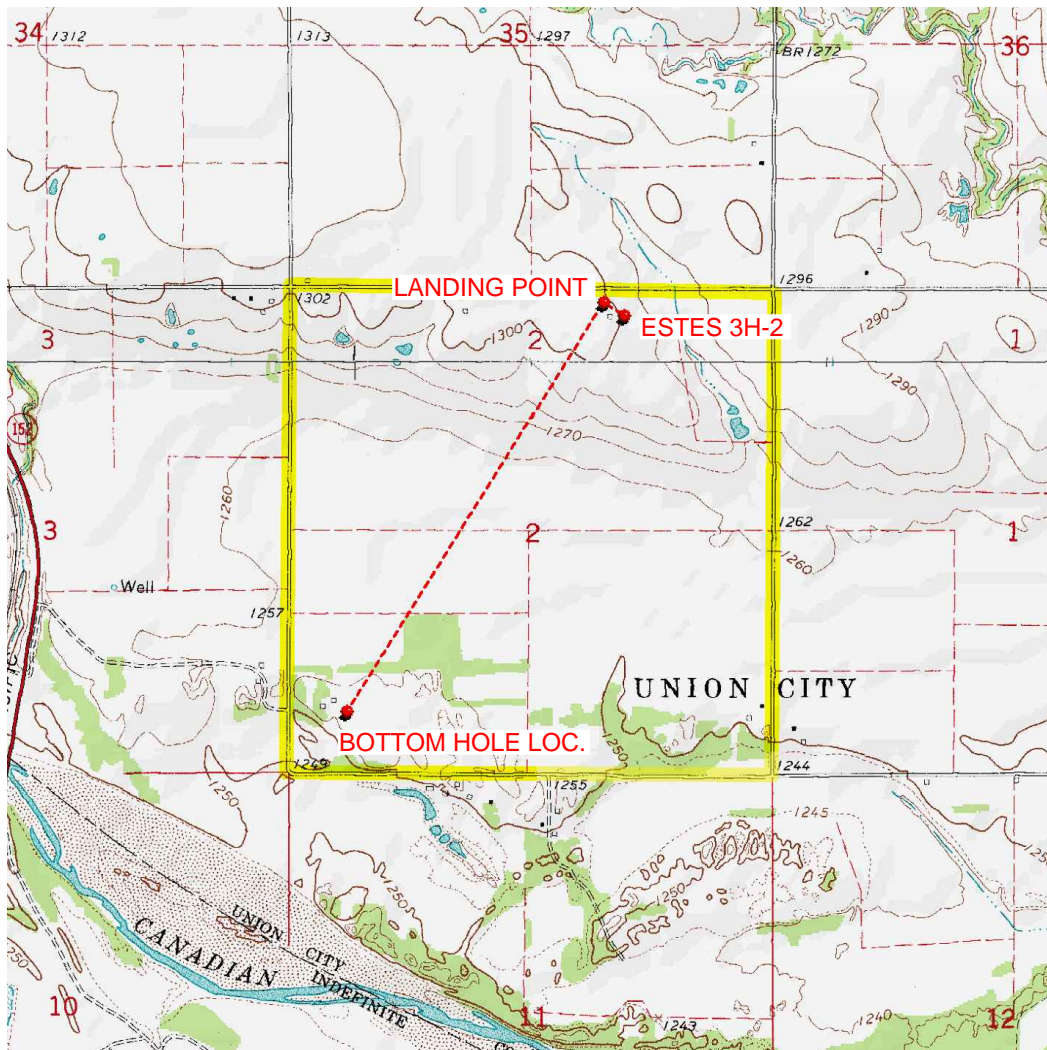
Topographic Vicinity Map

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: ESTES 3H-2
Surface Hole Location: 310' FNL - 1620' FEL
Landing Point: 165' FNL - 1850' FEL
Bottom Hole Location: 660' FSL - 660' FWL
Sec. 2 Twp. 10N Rng. 7W I.M
County: Canadian State of Oklahoma



Ground Elevation at Surface Hole Location: TBD

Scale 1" = 2000'
Contour Interval: 10'



Provided by:
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P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030

Certificate of Authorization No. 5348
Expires June 30, 2022

Date Staked: N/A

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.

Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined.

County Highway Vicinity Map

Job #: 9215-C

Operator: CITIZEN ENERGY, LLC

Lease Name and No.: ESTES 3H-2

Accessibility: From the North.

Directions: From the junction of US HWY 81 & State HWY 152 in the town of Union City, OK, go 2.0 miles East on State HWY 152, then go 1.0 mile South on "Radio St", then go 0.4 mile on "SW 89th St." to the Northeast Quarter of Section 2-10N-7W on the South side of the road.



1 inch = 0.5 mile

provided by:
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