

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

API NUMBER: 017 24908

Approval Date: 06/13/2016  
Expiration Date: 12/13/2016

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 07 Twp: 10N Rge: 5W County: CANADIAN  
SPOT LOCATION:  NW  SE  NE  SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 1875 470

Lease Name: TOY DARROW Well No: 2H-8-17 Well will be 470 feet from nearest unit or lease boundary.  
Operator Name: CITIZEN ENERGY II LLC Telephone: 9189494680 OTC/OCC Number: 23559 0

CITIZEN ENERGY II LLC  
320 S BOSTON AVE STE 1300  
TULSA, OK 74103-4702

GARY D. DARROW  
P.O. BOX 981  
MUSTANG OK 73064

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

Name	Depth	Name	Depth
1 WOODFORD	9100	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 649530

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201601910  
201601905  
201601909  
201601861  
201602096

Special Orders:

Total Depth: 16200 Ground Elevation: 1282 Surface Casing: 450 Depth to base of Treatable Water-Bearing FM: 330

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31286

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: DUNCAN

HORIZONTAL HOLE 1

Sec 17 Twp 10N Rge 5W County GRADY

Spot Location of End Point: SE SW SW SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 360

Depth of Deviation: 8700

Radius of Turn: 750

Direction: 172

Total Length: 6322

Measured Total Depth: 16200

True Vertical Depth: 9100

End Point Location from Lease,  
Unit, or Property Line: 1

Notes:

Category

Description

HYDRAULIC FRACTURING

5/31/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

MEMO

5/31/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201601861

6/1/2016 - G75 - (E.O.)(640)(HOR) 8-10N-5W  
EST WDFD  
POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL  
CITIZEN ENERGY II, LLC  
REC 5-27-2016 (MCKEOWN)

PENDING CD - 201601905

6/1/2016 - G75 - (E.O.) 8-10N-5W  
X201601861 WDFD  
1 WELL  
CITIZEN ENERGY II, LLC  
REC 5-27-2016 (MCKEOWN)

PENDING CD - 201601909

6/1/2016 - G75 - (E.O.) 8 & 17-10N-5W  
EST MULTIUNIT HORIZONTAL WELL  
X201601861 WDFD 8-10N-5W  
X649530 WDFD 17-10N-5W  
33% 8-10N-5W  
67% 17-10N-5W  
CITIZEN ENERGY II, LLC  
REC 5-27-2016 (MCKEOWN)

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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
PENDING CD - 201601910	<p>6/1/2016 - G75 - (E.O.) 8 &amp; 17-10N-5W  X201601861 WDFD 8-10N-5W  X649530 WDFD 17-10N-5W  SHL (8-10N-5W) NCT 2640 TO SL, NCT 330 TO WL **  COMPL. INT. (8-10N-5W) NCT 2400 TO NL, NCT 0 TO SL, NCT 330 TO WL  COMPL. INT. (17-10N-5W) NCT 0 TO NL, NCT 165 TO SL, NCT 330 TO WL  CITIZEN ENERGY II, LLC  REC 5-27-2016 (MCKEOWN)</p> <p>** ITD HAS SHL AS 1875 FSL, 470 FEL 7-10N-5W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR</p>
PENDING CD - 201602096	<p>6/2/2016 - G75 - (E.O.) 8-10N-5W  X165:10-3-28(C)(2)(B) WDFD (TOY DARROW 2H-8-17)  WITHIN 600' OF TOY DARROW 1H-8-5  CITIZEN ENERGY II, LLC  REC 6-10-2016 (MCKEOWN)</p>
SPACING - 649530	<p>6/1/2016 - G75 - (640)(HOR) 17-10N-5W  VAC OTHER  EXT 643197 WDFD, OTHER  POE TO BHL NCT 165' FNL &amp; FSL, NCT 330' FEL &amp; FWL</p>

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