

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

API NUMBER: 051 24054

Approval Date: 07/29/2016
Expiration Date: 01/29/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 9N Rge: 6W County: GRADY
SPOT LOCATION: SW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 335 765

Lease Name: GENE CARROLL Well No: 1H-7 Well will be 335 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

ADAM & ELISHA BASFORD
1448 COUNTY ROAD 1213
TUTTLE OK 73089

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

Name	Depth	Name	Depth
1 WOODFORD	11200	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 651172

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16700

Ground Elevation: 1365

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 300

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31445

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 07 Twp 9N Rge 6W County GRADY

Spot Location of End Point: NW NE NE NE

Feet From: NORTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 360

Depth of Deviation: 10730

Radius of Turn: 750

Direction: 350

Total Length: 4792

Measured Total Depth: 16700

True Vertical Depth: 11200

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

Notes:

Category

Description

COMPLETION INTERVAL

7/29/2016 - G75 - GREATER THAN 165' FSL & FNL, GREATER THAN 330' FEL & FWL 7-9N-6W PER OPERATOR

DEEP SURFACE CASING

7/28/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

7/28/2016 - 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

7/28/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 651172

7/28/2016 - G75 - (640)(HOR) 7-9N-6W
EST WDFD
POE TO BHL NCT 165' TO NL & SL, NCT 330' TO EL & WL

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.

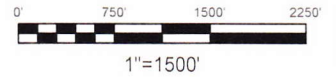


Well Location Plat

S.H.L. Sec. 17-9N-6W I.M.
B.H.L. Sec. 7-9N-6W I.M.

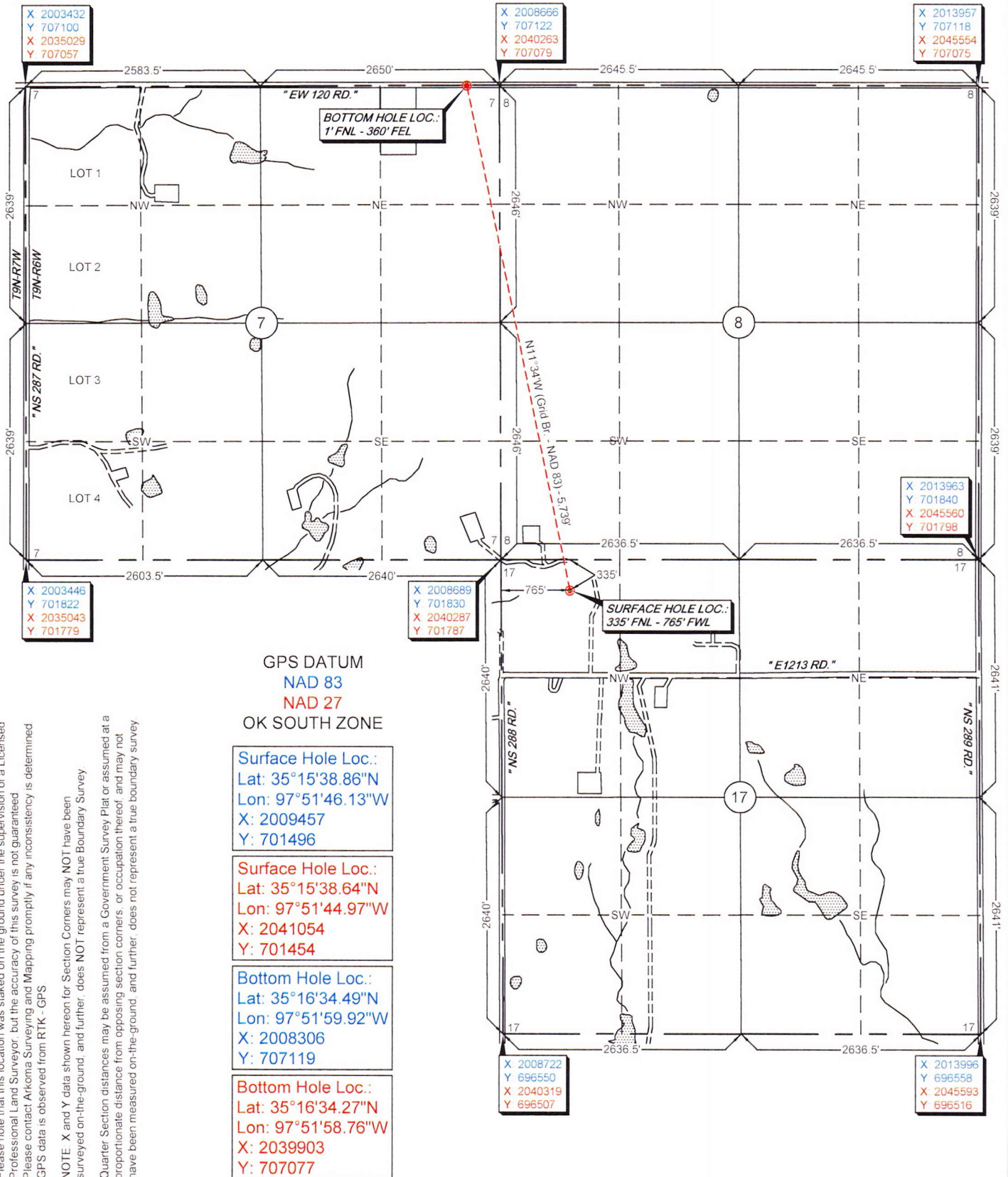
Operator : CITIZEN ENERGY, LLC
Lease Name and No. : GENE CARROLL 1H-7
Footage : 335' FNL - 765' FWL PAD ELEVATION : 1365' Good Site? YES
Section : 17 Township : 9N Range : 6W I.M.
County : Grady State of Oklahoma
Alternate Loc. : N/A
Terrain at Loc. : Location fell on existing Citizen Energy "Gene Carroll" pad.

API 051-24054



Accessibility : From the North.

Directions : From the junction of State Hwy 92 & State Hwy 37 in Tuttle, OK, go 2.7 miles South on Hwy 92, go 0.5 mile West on "E1212 Rd.," go South for ±350' on "NS 289 Rd.," go 0.8 miles West on "E1213 Rd." to the entrance of an existing lease road on the North side of road.



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.

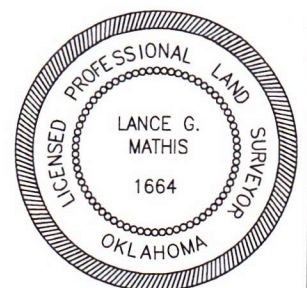
NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.

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, 2018

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 07/11/16
OK LPLS 1664



Invoice #6494-A
Date Staked : 07/06/16 By : H.S.
Date Drawn : 07/07/16 By : K.M.