

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

API NUMBER: 051 24061

Approval Date: 08/18/2016
Expiration Date: 02/18/2017

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: 350 765

Lease Name: GENE CARROLL

Well No: 1H-17

Well will be 350 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 AND 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: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201603251
201603250

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

Approved Method for disposal of Drilling Fluids:

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

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

PERMIT NO: 16-31446

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 17 Twp 9N Rge 6W 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: 10730

Radius of Turn: 470

Direction: 180

Total Length: 5232

Measured Total Depth: 16700

True Vertical Depth: 11200

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

Notes:

Category

Description

DEEP SURFACE CASING

8/15/2016 - G71 - 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

8/15/2016 - 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

8/15/2016 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201603250

8/18/2016 - G60 - (E.O.)(640)(HOR) 17-9N-6W
VAC OTHERS
EXT OTHERS
EST WDFD
POE TO BHL NCT 165' FNL &FSL, NCT 330' FEL **
REC. 8-12-16 (JOHNSON)

**330' FWL ON ITD; WILL BE CORRECTED ON FINAL ORDER TO FEL OR FWL PER LAWYER

PENDING CD - 201603251

8/18/2016 - G60 - (E.O.) 17-9N-6W
X201603250 WDFD, OTHERS
POE TO BHL NCT 165' FNL, NCT 165' FSL, NCT 330' FWL
CITIZEN ENERGY II, LLC.
REC. 8-12-16 (JOHNSON)

This permit does not address the right of entry or settlement of surface damages.

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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.

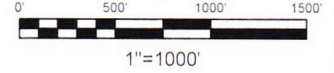


CITIZENENERGY

Well Location Plat

Operator : CITIZEN ENERGY, LLC
 Lease Name and No. : GENE CARROLL 1H-17
 Footage : 350' 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.

3505124061



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.

X: 2008689
 Y: 701830
 X: 2040287
 Y: 701787

X: 2013963
 Y: 701840
 X: 2045560
 Y: 701798

GPS DATUM
 NAD 83
 NAD 27
 OK SOUTH ZONE

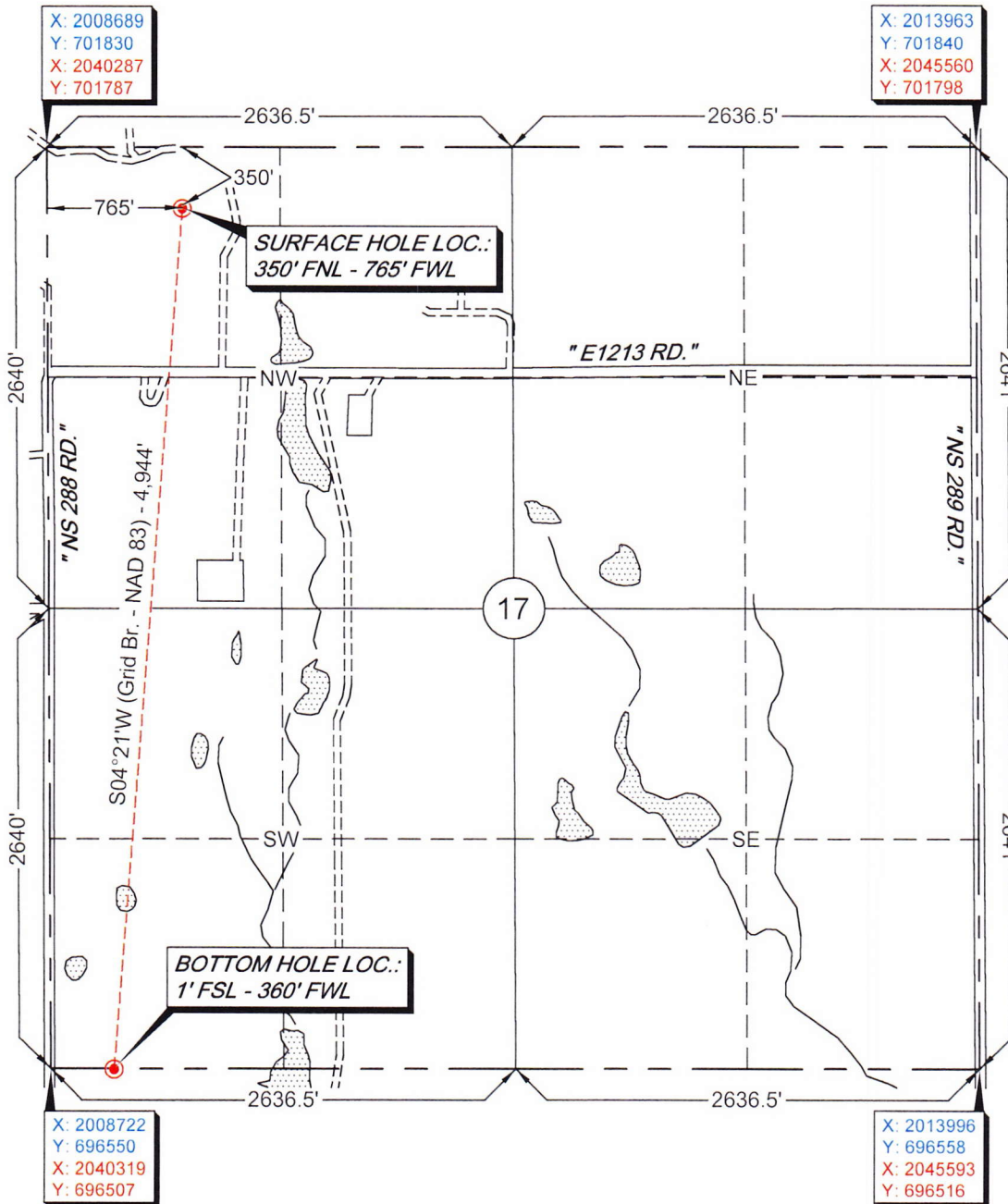
Surface Hole Loc.:
 Lat: 35°15'38.71"N
 Lon: 97°51'46.13"W
 X: 2009457
 Y: 701481

Surface Hole Loc.:
 Lat: 35°15'38.49"N
 Lon: 97°51'44.97"W
 X: 2041054
 Y: 701439

Bottom Hole Loc.:
 Lat: 35°14'49.96"N
 Lon: 97°51'50.73"W
 X: 2009082
 Y: 696551

Bottom Hole Loc.:
 Lat: 35°14'49.73"N
 Lon: 97°51'49.57"W
 X: 2040679
 Y: 696509

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.



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.

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.

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

Lance G. Mathis
LANCE G. MATHIS 07/11/16
 OK LPLS 1664

