

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

API NUMBER: 051 24063

Approval Date: 08/26/2016
Expiration Date: 02/26/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 9N Rge: 6W County: GRADY
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 305 765

Lease Name: GENE CARROLL Well No: 2H-8-5 Well will be 305 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	11100	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 338339

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201603627
201603626

Special Orders:

Total Depth: 21800

Ground Elevation: 1366

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: 16-31444

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 05 Twp 9N Rge 6W County GRADY

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 360

Depth of Deviation: 10630

Radius of Turn: 470

Direction: 357

Total Length: 10432

Measured Total Depth: 21800

True Vertical Depth: 11100

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 - 201603626

8/25/2016 - G60 - (E.O.) 5 & 8-9N-6W
EST MULTIUNIT HORIZONTAL WELL
X338339 WDFD
50% 5-9N-6W
50% 8-9N-6W
CITIZEN ENERGY, II, LLC.
REC. 8-26-16 (JOHNSON)

PENDING CD - 201603627

8/25/2016 - G60 - (E.O.) 5 & 8-9N-6W
X338339 WDFD
COMPL. INT. (8-9N-6W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL
COMPL. INT. (5-9N-6W) NCT 165' FNL, NCT 0' FSL, NCT 330' FWL
CITIZEN ENERGY, II, LLC.
REC. 8-26-16 (JOHNSON)

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.

Category

Description

SPACING - 338339

8/19/2016 - G60 - (640) 5 & 8-9N-6W
EXT OTHERS
EXT 319057 WDFD

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.

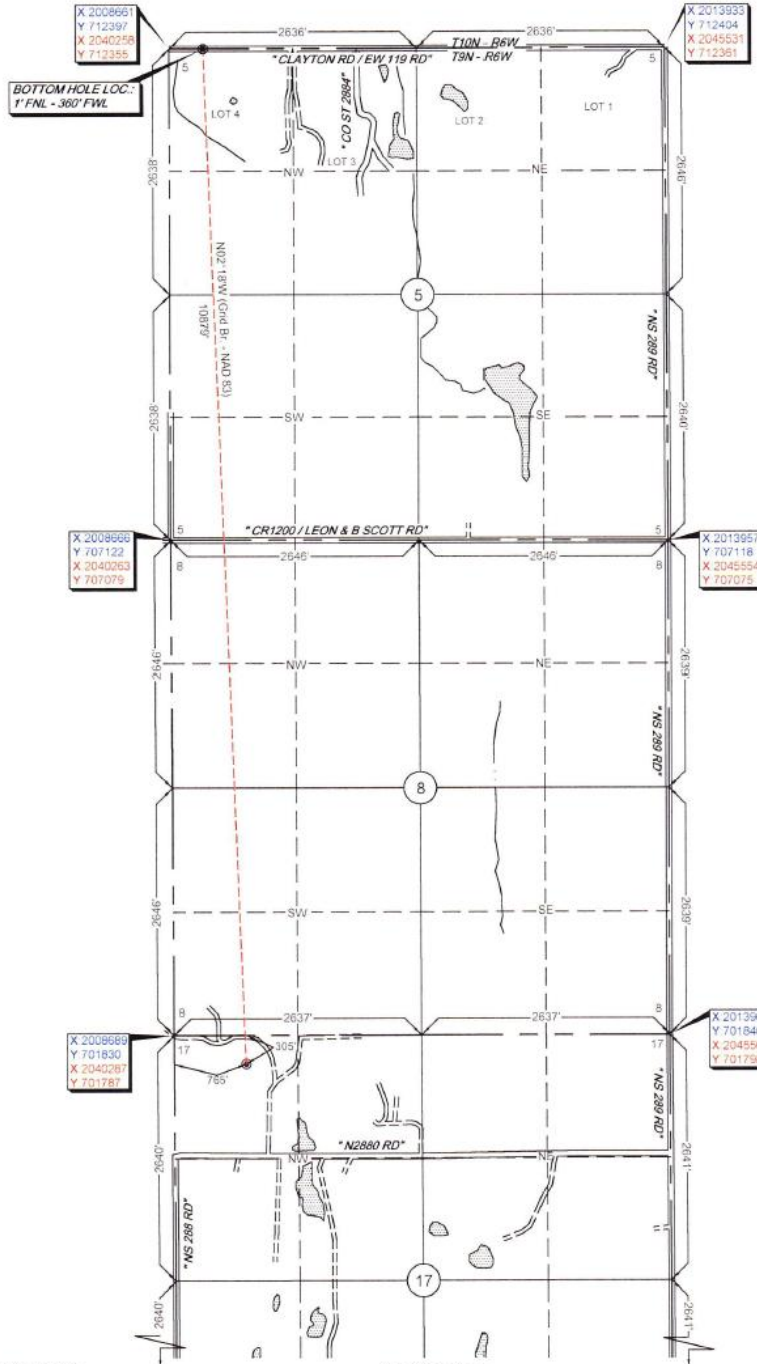
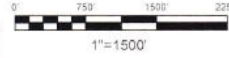


Well Location Plat

S.H.L. Sec. 17-9N-6W I.M.
B.H.L. Sec. 5-9N-6W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: GENE CARROLL 2H-8-5
Footage: 305' FNL - 765' FWL GR. ELEVATION: 1366' 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 in fairly flat and open pasture.
Accessibility: From the North
Directions: From the the intersection of State Highway 92 & "SW 4th Street" in Tuttle, OK, go South for 2.6 Miles, go 0.5 Mile on "CR 1212, turn South on "CR2890 RD", turn right on "CR 2880 RD" and go 0.8 Mile to the Lease Road Entrance.

3505124063



GPS DATUM
NAD - 83
OK SOUTH ZONE
GPS DATUM
NAD - 27
OK SOUTH ZONE

Surface Hole Loc.:
Lat: 35°15'39.16"N
Lon: 97°51'46.14"W
X: 2009456
Y: 701526

Surface Hole Loc.:
Lat: 35°15'38.93"N
Lon: 97°51'44.98"W
X: 2041054
Y: 701484

Bottom Hole Loc.:
Lat: 35°17'26.67"N
Lon: 97°51'51.21"W
X: 2009021
Y: 712397

Bottom Hole Loc.:
Lat: 35°17'26.45"N
Lon: 97°51'50.05"W
X: 2040618
Y: 712354

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. 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.
NOTE: X and Y data shown herein for Section Corners may NOT have been surveyed or measured on the ground and may 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
Invoice #6403-A-B
Date Staked : 05/25/16 By: H.S.
Date Drawn : 05/27/16 By: R.S.
Rev. Lse. Name : 07/12/16 By: J.H.

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
LANCE G. MATHIS

07/12/16
OK LPLS 1664

