

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

API NUMBER: 049 25081

Approval Date: 09/13/2016  
Expiration Date: 03/13/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 14 Twp: 4N Rge: 4W County: GARVIN  
SPOT LOCATION:     FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 275 1320

Lease Name: NAYRO Well No: 4H-11 Well will be 275 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

BRYAN & JOAN BRANCH, TRUSTEES  
15095 EAST COUNTY ROAD 1520  
LINDSAY OK 73052

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

Name	Depth	Name	Depth
1 HUNTON	9225	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 210601523  
201603719  
201603718  
201603841

Special Orders:

Total Depth: 14800 Ground Elevation: 986 Surface Casing: 400 Depth to base of Treatable Water-Bearing FM: 230

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 16-31484

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 ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Sec 11 Twp 4N Rge 4W County GARVIN

Spot Location of End Point: NW NE NW NE

Feet From: NORTH 1/4 Section Line: 1

Feet From: EAST 1/4 Section Line: 1850

Depth of Deviation: 8650

Radius of Turn: 900

Direction: 354

Total Length: 4736

Measured Total Depth: 14800

True Vertical Depth: 9225

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

Notes:

Category

Description

HYDRAULIC FRACTURING

9/12/2016 - 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

9/12/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - WASHITA RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201603718

9/13/2016 - G75 - (E.O.) 11-4N-4W  
X201601523 HNTN  
1 WELL  
CITIZEN ENERGY II, LLC  
REC 8-30-2016 (JOHNSON)

PENDING CD - 201603719

9/13/2016 - G75 - (E.O.)  
X201601523 HNTN  
SHL (14-4N-4W) 275' FNL, 1340' FEL \*\*  
COMPL. INT. (11-4N-4W) NCT 165' FSL, NCT 165' FNL, NCT 660' FEL  
CITIZEN ENERGY II, LLC  
REC 8-30-2016 (JOHNSON)

\*\* ITD HAS SHL AS 1320' FEL 14-4N-4W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER ATTORNEY FOR OPERATOR

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
PENDING CD - 201603841	9/13/2016 - G75 - (E.O.) 11-4N-4W X165:10-3-28(C)(2)(B) HNTN (NAYRO 4H-11) WITHIN 600' OF NAYRO 3H-11 CITIZEN ENERGY II, LLC REC 9-9-2016 (MCKEOWN)
PENDING CD - 210601523	9/13/2016 - G75 - (640)(HOR) 11-4N-4W EST HNTN, OTHERS POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 61722 HNTN NW4 & S2; ORDER # 327045 HNTN NE4) REC 7-8-2016 (JOHNSON)
SURFACE CASING	9/12/2016 - G71 - MIN. 400' PER ORDER # 64240

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.

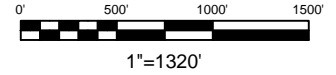


# Well Location Plat

S.H.L. Sec. 14-4N-4W I.M.  
B.H.L. Sec. 11-4N-4W I.M.

Operator : CITIZEN ENERGY, LLC  
Lease Name and No. : NAYRO #4H-11  
Footage : 275' FNL - 1320' FEL GR. ELEVATION : 986' Good Site? YES  
Section : 14 Township : 4N Range : 4W I.M.  
County : Garvin State of Oklahoma  
Alternate Loc. : N/A

API 049-25081

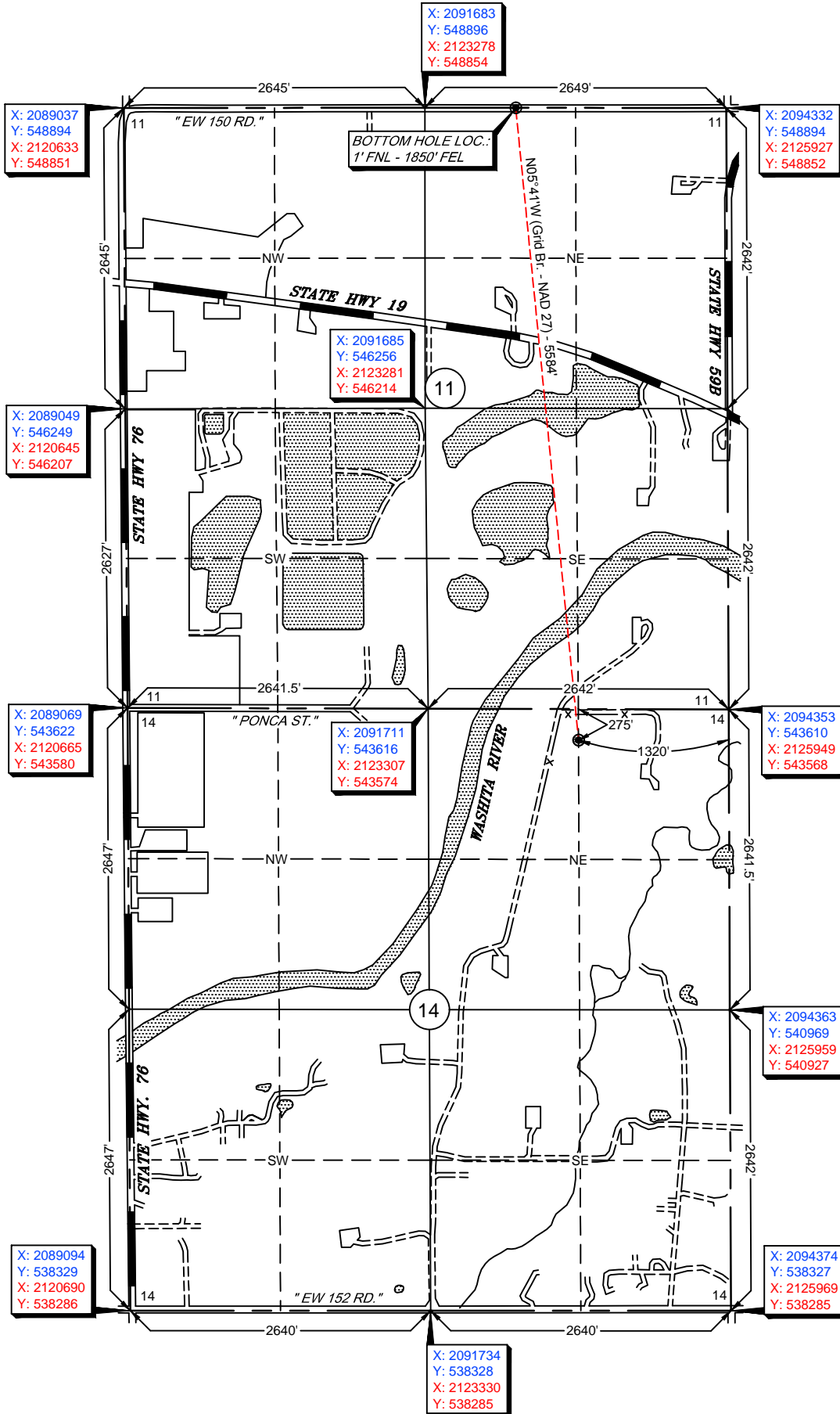


Terrain at Loc. : Location fell in pasture, South & East of existing fence & lease road.  
Accessibility : From the South.  
Directions : From the junction of State Hwy 19 & State Hwy 76 S in Lindsay, OK, go 1.7 miles South on Hwy 76, go 0.5 mile East on "EW 152 Rd.," then follow lease road ±1.0 mile Northerly to the proposed location in the Northeast Quarter of Section 14-4N-4W.

GPS DATUM  
NAD 83  
NAD 27

OK SOUTH ZONE

Surface Hole Loc.:
Lat: 34°49'32.27"N
Lon: 97°35'06.18"W
X: 2093034
Y: 543338
Surface Hole Loc.:
Lat: 34°49'32.00"N
Lon: 97°35'05.07"W
X: 2124630
Y: 543296
Bottom Hole Loc.:
Lat: 34°50'27.26"N
Lon: 97°35'12.53"W
X: 2092482
Y: 548895
Bottom Hole Loc.:
Lat: 34°50'26.99"N
Lon: 97°35'11.42"W
X: 2124077
Y: 548852



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 hereon for Section Corners may NOT have been surveyed 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.

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 #6306-A-D  
Date Staked : 05/11/16 By : J.W.  
Date Drawn : 05/13/16 By : K.M.  
Rev. Lease Name : 07/11/16 By : R.S.

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

