

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

API NUMBER: 017 24943

Approval Date: 11/03/2016
Expiration Date: 05/03/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 11N Rge: 7W County: CANADIAN
SPOT LOCATION: NE NE NE NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 250 2445

Lease Name: COWBOY Well No: 1H-34-3 Well will be 250 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

R. K. CAREL PROPERTIES LLC
1201 59TH ST. SW
UNION CITY OK 73090

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	10350	6	
2	WOODFORD	10600	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201600997
201600998
201600999

Special Orders:

Total Depth: 18800 Ground Elevation: 1323 **Surface Casing: 1000** 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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: DOG CREEK

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 16-31721

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 not located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is NON HSA

Pit Location Formation: DOG CREEK

HORIZONTAL HOLE 1

Sec 03 Twp 10N Rge 7W County CANADIAN

Spot Location of End Point: SE SE SE SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 2445

Depth of Deviation: 10100

Radius of Turn: 750

Direction: 180

Total Length: 7522

Measured Total Depth: 18800

True Vertical Depth: 10600

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

Notes:

Category

Description

DEEP SURFACE CASING

10/24/2016 - 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

10/24/2016 - 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

10/24/2016 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201600997

10/24/2016 - G75 - (640)(HOR) 34-11N-7W & 3-10N-7W
EST MSSP, WDFD
POE TO BHL (MSSP) NCT 660' FB
POE TO BHL (WDFD) NCT 165' FNL & FSL, NCT 330' FEL & FWL
(COEXIST SP. ORDER # 216784 CSTR, MSSLM 34-11N-7W & ORDER # 375579 CSTR, MSSLM 3-10N-7W)
REC 7-19-2016 (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
PENDING CD - 201600998	<p>10/24/2016 - G75 - (I.O.) 34-11N-7W & 3-10N-7W EST MULTIUNIT HORIZONTAL WELL X201600997 MSSP, WDFD (MSSP ASSOCIATED COMMON SOURCE OF SUPPLY TO WDFD) 50% 34-11N-7W 50% 3-10N-7W CITIZEN ENERGY II, LLC REC 7-19-2016 (JOHNSON)</p>
PENDING CD - 201600999	<p>10/24/2016 - G75 - (I.O.) 34-11N-7W & 3-10N-7W X201600997 MSSP, WDFD SHL (34-11N-7W) 165' TO NL, 2640' TO WL ** COMPL. INT. (34-11N-7W) NCT 165' TO NL, NCT 0' TO SL, NCT 2640' TO WL ++ COMPL. INT. (3-10N-7W) NCT 0' TO NL, NCT 165' TO SL, NCT 2640' TO WL ++ CITIZEN ENERGY II, LLC REC 7-19-2016 (JOHNSON)</p> <p>** ITD HAS SHL AS 250' FNL, 2445' FWL 34-11N-7W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR</p> <p>++ ITD HAS COMPL. INT. AS 2445' FWL; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER ATTORNEY FOR OPERATOR</p>

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. 34-11N-7W I.M.
B.H.L. Sec. 3-10N-7W I.M.

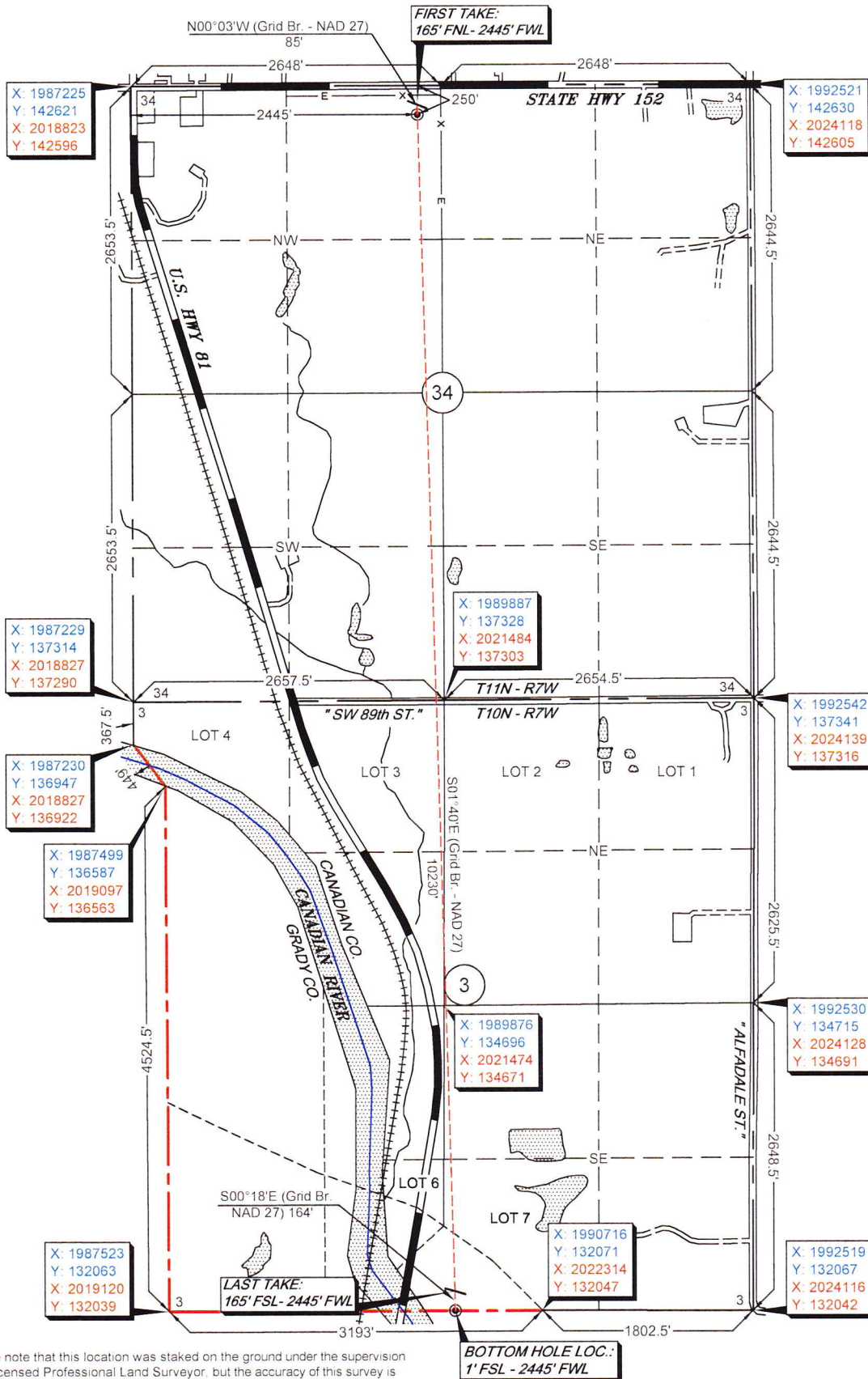
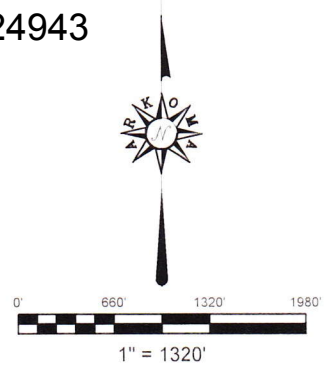
API 017-24943

Operator : CITIZEN ENERGY, LLC
Lease Name and No. : COWBOY 1H-34-3
Footage : 250' FNL - 2445' FWL GR. ELEVATION : 1323' Good Site? YES
Section : 34 Township : 11N Range : 7W I.M.
County : Canadian State of Oklahoma
Alternate Loc. : N/A

Terrain at Loc. : Location fell in a flat, cultivated field; 202' South of an existing E-W fence/power line & 202' West of an existing N-S fence/power line.

Accessibility : From the West.

Directions : From the junction of U.S. Hwy 81 & State Hwy 152 in Union City, OK, go 0.5 mile East on Hwy 152 to the proposed location on South side of highway.



GPS DATUM NAD 83 NAD 27 OK NORTH ZONE
Surface Hole Loc.: Lat: 35°23'27.94"N Lon: 97°55'44.32"W X: 1989670 Y: 142375
Surface Hole Loc.: Lat: 35°23'27.74"N Lon: 97°55'43.15"W X: 2021268 Y: 142351
First Take: Lat: 35°23'28.78"N Lon: 97°55'44.32"W X: 1989670 Y: 142460
First Take: Lat: 35°23'28.58"N Lon: 97°55'43.15"W X: 2021268 Y: 142436
Last Take: Lat: 35°21'47.65"N Lon: 97°55'40.83"W X: 1989967 Y: 132234
Last Take: Lat: 35°21'47.45"N Lon: 97°55'39.66"W X: 2021565 Y: 132210
Bottom Hole Loc.: Lat: 35°21'46.03"N Lon: 97°55'40.82"W X: 1989968 Y: 132071
Bottom Hole Loc.: Lat: 35°21'45.82"N Lon: 97°55'39.65"W X: 2021565 Y: 132046

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 #6539-A-A
Date Staked : 08/24/16 By : R.L.
Date Drawn : 08/31/16 By : K.M.
Added 1st & Last Takes : 10/26/16 By : R.S.

Lance G. Mathis 10/25/16
LANCE G. MATHIS OK LPLS 1664

