

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

API NUMBER: 087 22066

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

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 19 Twp: 7N Rge: 3W

County: MCCLAIN

SPOT LOCATION: NW NW NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 280 250

Lease Name: PRICE

Well No: 1H-18

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

LEWIS W. & JANIE PRICE
16066 252ND STREET
BLANCHARD OK 73010

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

Name	Depth	Name	Depth
1 WOODFORD	9700	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201700024

Special Orders:

Total Depth: 15200

Ground Elevation: 1157

Surface Casing: 1000

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

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 BED AQUIFER

Pit Location Formation: DUNCAN

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

PERMIT NO: 17-32218

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 BED AQUIFER

Pit Location Formation: DUNCAN

HORIZONTAL HOLE 1

Sec 18 Twp 7N Rge 3W County MCCLAIN

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: 9127

Radius of Turn: 573

Direction: 2

Total Length: 5173

Measured Total Depth: 15200

True Vertical Depth: 9700

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

Notes:

Category

Description

COMPLETION INTERVAL

3/1/2017 - G75 - COMPLETION INTERVAL FOR WOODFORD GREATER THAN 165' FNL AND FSL;
GREATER THAN 330' FEL AND FWL PER OPERATOR

DEEP SURFACE CASING

2/27/2017 - 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

2/27/2017 - 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

2/27/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 2 -
OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201700024

3/1/2017 - G75 - (E.O.)(640)(HOR) 18-7N-3W
EST WDFD, OTHER
POE TO BHL NCT 165' TO NL & SL, NCT 330' TO EL & WL
CITIZEN ENERGY II, LLC
REC 3-10-2017 (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.

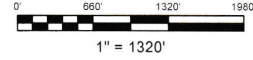


Well Location Plat

S.H.L. Sec. 19-7N-3W I.M.
B.H.L. Sec. 18-7N-3W I.M.

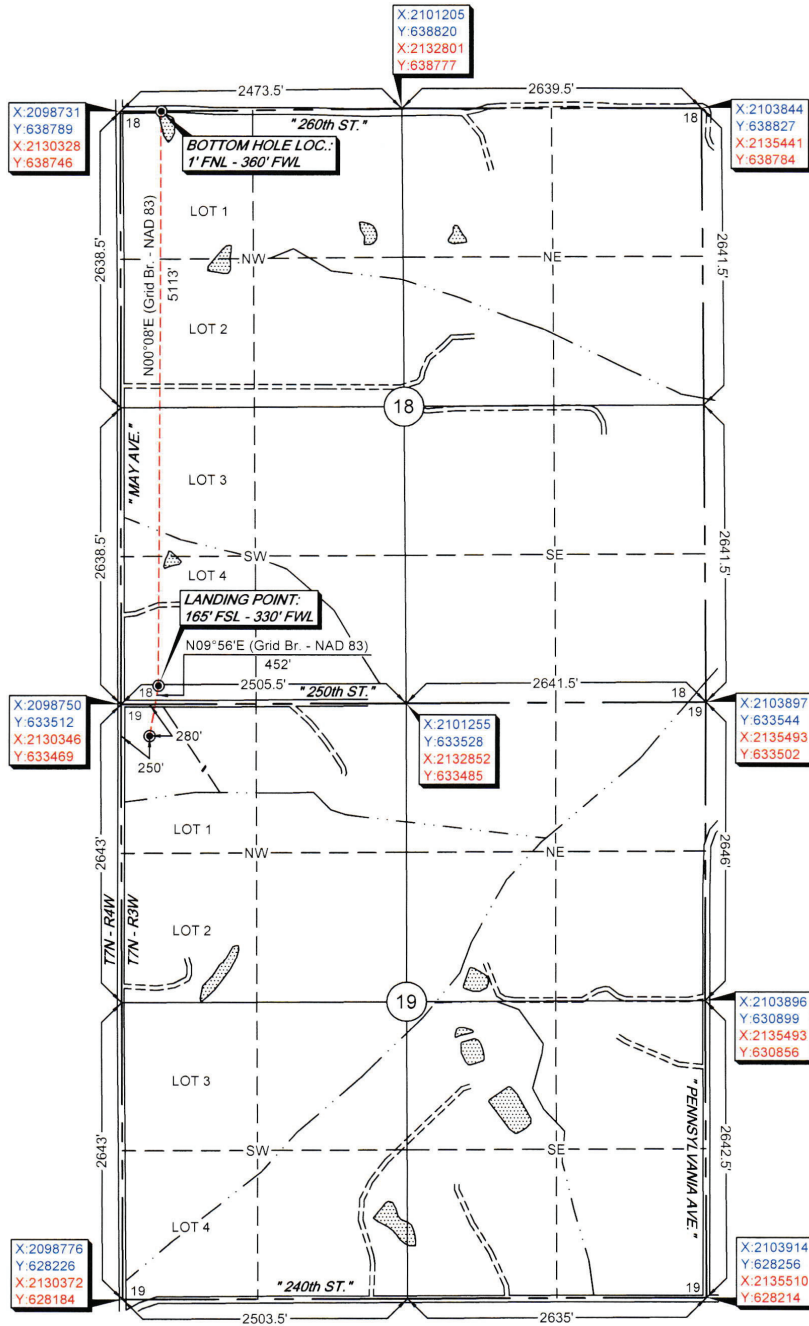
API 087-22066

Operator : CITIZEN ENERGY, LLC
Lease Name and No. : PRICE 1H-18
Footage : 280' FNL - 250' FWL GR. ELEVATION : 1157' Good Site? YES
Section : 19 Township : 7N Range : 3W I.M.
County : McClain State of Oklahoma
Alternate Loc. : N/A
Terrain at Loc. : Location fell in timber with a moderate NW-SE downslope; ±240' SW of an existing pipeline, ±260' S. & ±200' E. of an existing R/W fences.



Accessibility : From the North.
Directions : From the West junction of U.S. Hwy 62 & State Hwy 76 in Blanchard, OK, go 2.1 miles Southeasterly on State Hwy 76, go 4.8 miles East on State Hwy 74B toward Cole, OK, go 2.1 miles South on "May Ave." to the Northwest Corner of Section 19-7N-3W.

GPS DATUM
NAD 83
NAD 27
OK SOUTH ZONE



Surface Hole Loc.:
Lat: 35°04'21.19"N
Lon: 97°33'49.94"W
Lat: 35.07255249
Lon: -97.56387361
X: 2099001
Y: 633233

Surface Hole Loc.:
Lat: 35°04'20.94"N
Lon: 97°33'48.82"W
Lat: 35.07248415
Lon: -97.56356169
X: 2130597
Y: 633191

Landing Point:
Lat: 35°04'25.59"N
Lon: 97°33'48.98"W
Lat: 35.07377562
Lon: -97.56360638
X: 2099079
Y: 633679

Landing Point:
Lat: 35°04'25.35"N
Lon: 97°33'47.86"W
Lat: 35.07370730
Lon: -97.56329444
X: 2130675
Y: 633636

Bottom Hole Loc.:
Lat: 35°05'16.17"N
Lon: 97°33'48.57"W
Lat: 35.08782391
Lon: -97.56349089
X: 2099091
Y: 638792

Bottom Hole Loc.:
Lat: 35°05'15.92"N
Lon: 97°33'47.44"W
Lat: 35.08775587
Lon: -97.56317874
X: 2130688
Y: 638750

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.

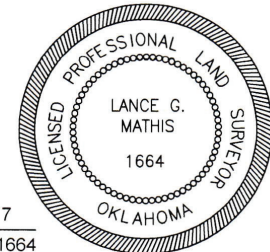
Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS. NOTE: X and Y data shown herein 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.

LANCE G. MATHIS

01/17/17
OK LPLS 1664



Invoice #6881-B
Date Staked : 01/05/17 By : H.S.
Date Drawn : 01/16/17 By : K.M.