

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

API NUMBER: 017 25003

Approval Date: 04/26/2017  
Expiration Date: 10/26/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 16 Twp: 10N Rge: 5W County: CANADIAN  
SPOT LOCATION:  NW  SW  SW  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 600 206

Lease Name: BAILEY Well No: 1H-20-29 Well will be 206 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

RIKELLA LLC  
13501 S. MUSTANG ROAD  
MUSTANG OK 73064

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	8900	6	
2 WOODFORD	9100	7	
3		8	
4		9	
5		10	

Spacing Orders: 643198

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201701983  
201701984  
201701985  
201701986  
201702367

Special Orders:

Total Depth: 19200 Ground Elevation: 1199 **Surface Casing: 1000** Depth to base of Treatable Water-Bearing FM: 160

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: 17-32361  
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 29 Twp 10N Rge 5W County GRADY

Spot Location of End Point: S2 SE SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 330

Depth of Deviation: 8475

Radius of Turn: 477

Direction: 185

Total Length: 9976

Measured Total Depth: 19200

True Vertical Depth: 9100

End Point Location from Lease,  
Unit, or Property Line: 165

Notes:

Category

Description

DEEP SURFACE CASING

4/4/2017 - 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

4/4/2017 - 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

4/4/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - CANADIAN RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

PENDING CD - 201701983

4/17/2017 - G75 - (E.O.)(640)(HOR) 29-10N-5W  
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 # 137897 MSSP)  
CITIZEN ENERGY II, LLC  
REC 4-7-2017 (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.

Category	Description
PENDING CD - 201701984	4/17/2017 - G75 - (E.O.) 20 & 29-10N-5W EST MULTIUNIT HORIZONTAL WELL X643198 MSSP, WDFD 20-10N-5W X201701983 MSSP, WDFD 29-10N-5W (WDFD ASSOCIATED COMMON SOURCE OF SUPPLY TO MSSP) 50% 20-10N-5W 50% 29-10N-5W CITIZEN ENERGY II, LLC REC 4-7-2017 (JOHNSON)
PENDING CD - 201701985	4/17/2017 - G75 - (E.O.) X643198 MSSP, WDFD 20-10N-5W X201701983 MSSP, WDFD 29-10N-5W SHL (16-10N-5W) 600' TO SL, 206' TO WL COMPL. INT. (20-10N-5W) NCT 165' TO NL, NCT 0' TO SL, NCT 330' TO EL COMPL. INT. (29-10N-5W) NCT 0' TO NL, NCT 165' TO SL, NCT 330' TO EL CITIZEN ENERGY II, LLC REC 4-7-2017 (JOHNSON)
PENDING CD - 201701986	4/17/2017 - G75 - (E.O.) 20-10N-5W X643198 WDFD 1 WELL CITIZEN ENERGY II, LLC REC 4-7-2017 (JOHNSON)
PENDING CD - 201702367	4/25/2017 - G75 - (E.O.) 29-10N-5W X165:10-3-28(C)(2)(B) MSSP (BAILEY 1H-20-29) WITHIN 600' OF R. B. OSBORN 1-29 CITIZEN ENERGY II, LLC REC 4-25-2017 (JOHNSON)
SPACING - 643198	4/5/2017 - G75 - (640)(HOR) 20-10N-5W VAC 244862 MISS E2 EST MSSP, WDFD POE TO BHL (MSSP) NCT 660' FB POE TO BHL (WDFD) NCT 330' FB (COEXIST SP. ORDER # 244862 MISS W2)

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.

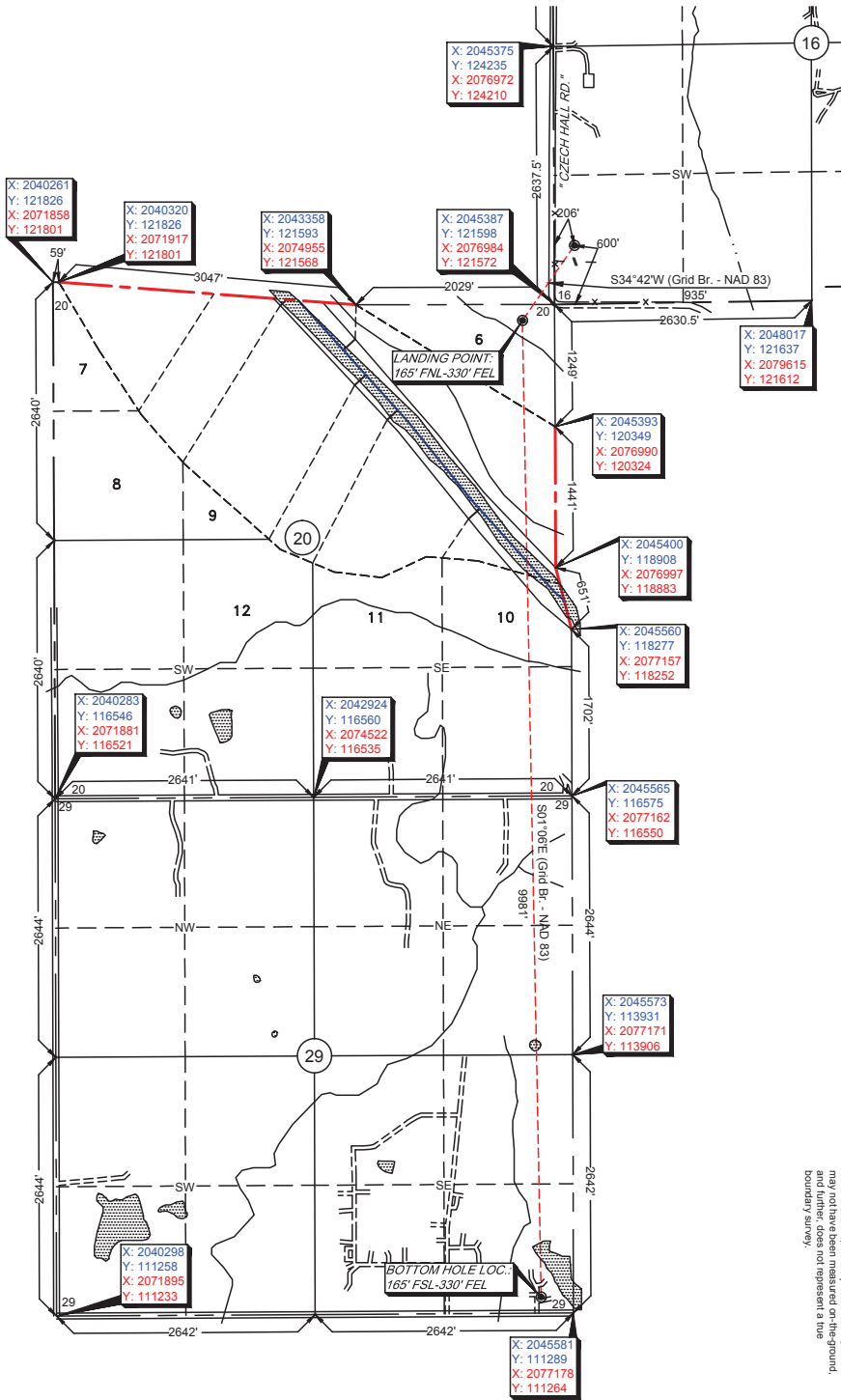
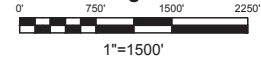


# Well Location Plat

S.H.L. Sec. 16-10N-5W I.M.  
B.H.L. Sec. 29-10N-5W I.M.

Operator : CITIZEN ENERGY, LLC  
Lease Name and No. : BAILEY 1H-20-29  
Footage : 600' FSL - 206' FWL GR. ELEVATION : 1199' Good Site? YES  
Section : 16 Township : 10N Range : 5W I.M.  
County : Canadian State of Oklahoma  
Alternate Loc. : N/A  
Terrain at Loc. : Location fell in open flat pasture, on North side of a Linn Energy Pipeline.

### API 017-25003



GPS DATUM  
NAD - 83  
OK NORTH ZONE

GPS DATUM  
NAD - 27  
OK NORTH ZONE

Surface Hole Loc.:  
Lat: 35°20'07.49"N  
Lon: 97°44'29.61"W  
Lat: 35.33541276  
Lon: -97.7155855  
X: 2045590  
Y: 122201

Surface Hole Loc.:  
Lat: 35°20'07.27"N  
Lon: 97°44'28.46"W  
Lat: 35.33535208  
Lon: -97.74123842  
X: 2077187  
Y: 122176

Landing Point:  
Lat: 35°19'59.90"N  
Lon: 97°44'36.06"W  
Lat: 35.33330471  
Lon: -97.74335009  
X: 2045058  
Y: 121432

Landing Point:  
Lat: 35°19'59.68"N  
Lon: 97°44'34.91"W  
Lat: 35.33324398  
Lon: -97.74302993  
X: 2076655  
Y: 121407

Bottom Hole Loc.:  
Lat: 35°18'21.20"N  
Lon: 97°44'34.05"W  
Lat: 35.30588848  
Lon: -97.74279195  
X: 2045251  
Y: 111452

Bottom Hole Loc.:  
Lat: 35°18'20.98"N  
Lon: 97°44'32.90"W  
Lat: 35.30582685  
Lon: -97.74247202  
X: 2076848  
Y: 111427

Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of the location is not guaranteed. The accuracy of the location is dependent on the accuracy of the ground control points used in the survey. Please contact Adams 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 for this plat. Survey points do NOT represent a true boundary. 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. This plat is not a representation of 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 #7026  
Date Staked : 03/24/17 By : H.S.  
Date Drawn : 03/28/17 By : R.S.

**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 03/28/17  
OK LPLS 1664

