

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

API NUMBER: 039 22501

Approval Date: 05/01/2017

Expiration Date: 11/01/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 03 Twp: 13N Rge: 14W County: CUSTER

SPOT LOCATION: ☐ NE ☐ NE ☐ NE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 2405 2435

Lease Name: RLP Well No: 2H-3-10 Well will be 2405 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

DOROTHY F. KUHNS  
2015 JONATHAN CREEK ROAD  
ARTHUR IL 61911

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

Name	Depth	Name	Depth
1 WOODFORD	15750	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201700276  
201700281  
201700280  
201700279

Special Orders:

Total Depth: 23500

Ground Elevation: 1669

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 370

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: 8000 Average: 5000

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: 17-32224

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 10 Twp 13N Rge 14W County CUSTER

Spot Location of End Point: SE SE SE SW

Feet From: SOUTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 2435

Depth of Deviation: 15150

Radius of Turn: 414

Direction: 180

Total Length: 7700

Measured Total Depth: 23500

True Vertical Depth: 15750

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

Notes:

Category

Description

COMPLETION INTERVAL

3/15/2017 - G64 - WILL BE GREATER THAN 165' FSL 10-13N-14W PER OPERATOR

DEEP SURFACE CASING

3/10/2017 - 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

3/10/2017 - 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

3/10/2017 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201700276

3/14/2017 - G64 - (640)(HOR) 3 & 10-13N-14W  
VAC OTHERS  
EST WDFD, OTHERS  
POE TO BHL NCT 165' FNL & FSL, NCT 330' FEL & FWL  
REC. 3-27-2017 (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.

039 22501 RLP 2H-3-10

Category	Description
PENDING CD - 201700279	3/14/2017 - G64 - (I.O.) 3 & 10-13N-14W EST MULTIUNIT HORIZONTAL WELL X201700276 WDFD, OTHERS 33% 3-13N-14W 67% 10-13N-14W NO OP. NAMED REC. 3-27-2017 (JOHNSON)
PENDING CD - 201700280	3/14/2017 - G64 - (I.O.) 3 & 10-13N-14W X201700276 WDFD, OTHERS COMPL. INT. (3-13N-14W) NCT 2640' FSL, NCT 0' FSL, NCT 330' FWL ** COMPL. INT. (10-13N-14W) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL NO OP. NAMED REC. 4-21-2017 (JOHNSON)  **S/B NCT 2640' FNL, NCT 0' FSL, NCT 330' FWL; TO BE FIXED AT HEARING FOR INTERIM ORDER PER OPERATOR
PENDING CD - 201700281	3/14/2017 - G64 - 3-13N-14W X201700276 WDFD, OTHERS 1 WELL NO OP. NAMED REC. 4-21-2017 (JOHNSON)
SURFACE CASING	3/10/2017 - G71 - MIN. 500' PER ORDER 42589



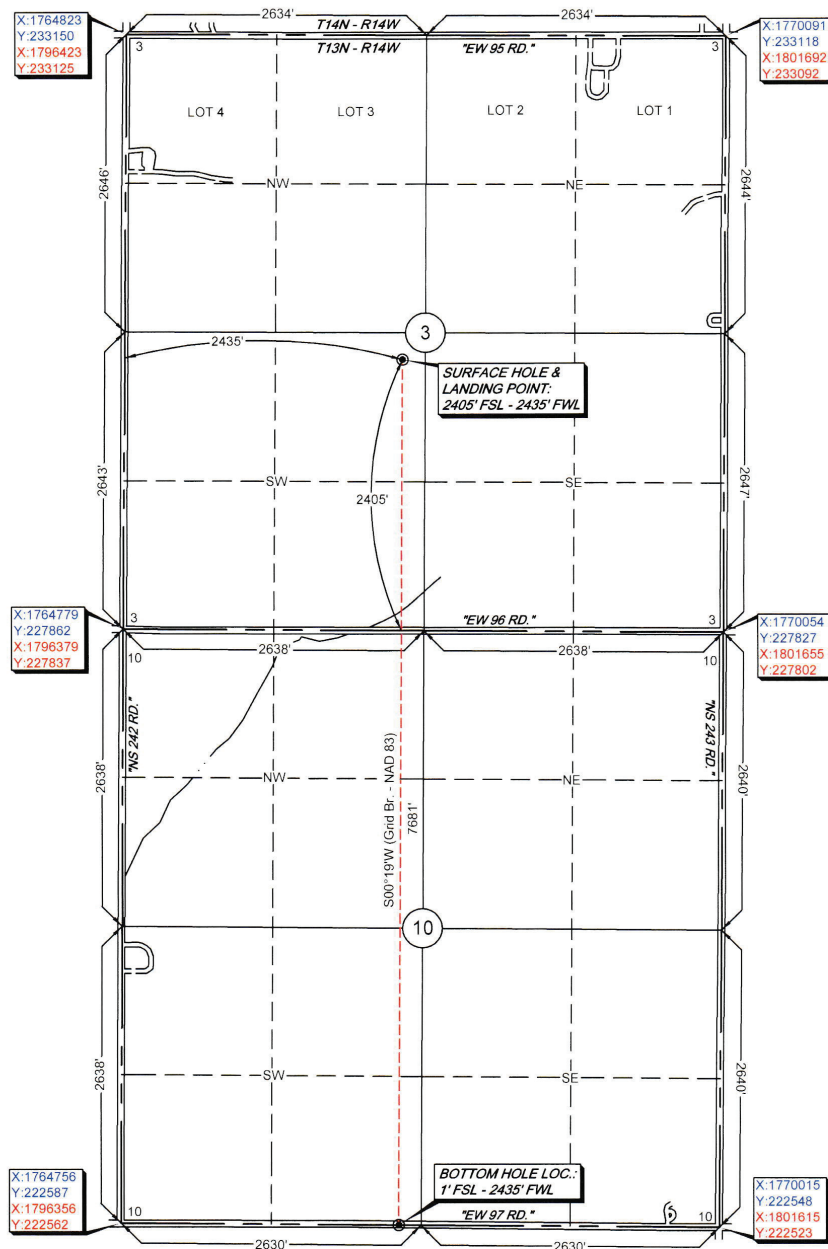
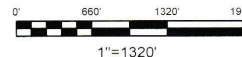
# Well Location Plat

S.H.L. Sec. 3-13N-14W I.M.  
B.H.L. Sec. 10-13N-14W I.M.

Operator: CITIZEN ENERGY, LLC  
Lease Name and No. : RLP 2H-3-10 (OPTION 3)  
Footage : 2405' FSL - 2435' FWL GR. ELEVATION : 1669' Good Site? YES  
Section: 3 Township: 13N Range: 14W I.M.  
County : Custer State of Oklahoma  
Alternate Loc.: N/A

API: 039 22501

Terrain at Loc. : Location fell in an open wheat field.  
Accessibility : From the North.  
Directions : From the junction of State Highway 54 and State Highway 33 East of the town of Thomas, OK, go 7.8 miles South on State Highway 54, 2.0 miles East on "EW 95 RD." to the Northeast Corner of Section 3-13N-14W.



GPS DATUM  
NAD - 83  
OK NORTH ZONE

GPS DATUM  
NAD - 27  
OK NORTH ZONE

Surface Hole Loc.:  
Lat: 35°37'50.15"N  
Lon: 98°40'38.12"W  
Lat: 35.63059636  
Lon: -98.67725472  
X: 1767234  
Y: 230251

Surface Hole Loc.:  
Lat: 35°37'49.97"N  
Lon: 98°40'36.84"W  
Lat: 35.63054607  
Lon: -98.67689993  
X: 1798834  
Y: 230226

Landing Point:  
Lat: 35°37'50.15"N  
Lon: 98°40'38.12"W  
Lat: 35.63059636  
Lon: -98.67725472  
X: 1767234  
Y: 230251

Landing Point:  
Lat: 35°37'49.97"N  
Lon: 98°40'36.84"W  
Lat: 35.63054607  
Lon: -98.67689993  
X: 1798834  
Y: 230226

Bottom Hole Loc.:  
Lat: 35°36'34.18"N  
Lon: 98°40'37.99"W  
Lat: 35.60949536  
Lon: -98.67721910  
X: 1767191  
Y: 222570

Bottom Hole Loc.:  
Lat: 35°36'34.00"N  
Lon: 98°40'36.71"W  
Lat: 35.60944470  
Lon: -98.67686507  
X: 1798791  
Y: 222545

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 hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.

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.

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 #6895-A-B (OPT. 3)  
Date Staked: 01/24/17 By: R.L.  
Date Drawn: 01/26/17 By: C.S.  
Add LP & BHL: 01/31/17 By: K.M.

## 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

02/01/17  
OK LPLS 1664

