

**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 A

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

Horizontal Hole Oil & Gas

Amend reason: CHANGE SURFACE LOCATION; UPDATE ORDERS

AMEND 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: **280 2445**

Lease Name: COWBOY

Well No: 1H-34-3

Well will be 280 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: 660387
661768

Location Exception Orders: 661111

Increased Density Orders:

Pending CD Numbers:

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.

LOCATION EXCEPTION - 661111

4/3/2017 - G75 - (I.O.) 34-11N-7W & 3-10N-7W

X660387 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

2-17-2017

** ITD HAS SHL AS 280' FNL, 2445' FWL 34-11N-7W; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER OPERATOR

++ ITD HAS COMPL. INT. AS 2445' FWL; TO BE CORRECTED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER ATTORNEY FOR OPERATOR

MEMO

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

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.

017 24943 COWBOY 1H-34-3

Category	Description
SPACING - 660387	4/3/2017 - 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)
SPACING - 661768	4/3/2017 - G75 - (I.O.) 34-11N-7W & 3-10N-7W EST MULTIUNIT HORIZONTAL WELL X660387 MSSP, WDFD (MSSP ASSOCIATED COMMON SOURCE OF SUPPLY TO WDFD) 50% 34-11N-7W 50% 3-10N-7W CITIZEN ENERGY II, LLC 3-9-2017

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