

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

API NUMBER: 017 25557

Approval Date: 11/01/2019
Expiration Date: 05/01/2021

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 11 Twp: 12N Rge: 9W County: CANADIAN
SPOT LOCATION: SW SW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 250 1225

Lease Name: VAUGHN Well No: 1H-14-23 Well will be 250 feet from nearest unit or lease boundary.
Operator Name: CITIZEN ENERGY III LLC Telephone: 9189494680 OTC/OCC Number: 24120 0

CITIZEN ENERGY III LLC
320 S BOSTON AVE STE 900
TULSA, OK 74103-3729

VICKEY VAUGHN
23246 180TH STREET
PURCELL OK 73096

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

Name	Depth	Name	Depth
1 WOODFORD	12100	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201904936
201904938

Special Orders:

Total Depth: 22625 Ground Elevation: 1539 Surface Casing: 1000 Depth to base of Treatable Water-Bearing FM: 300

Deep surface casing has been approved

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: 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 BED AQUIFER

Pit Location Formation: MARLOW

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-37025
H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is 18 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: MARLOW

HORIZONTAL HOLE 1

Sec 23 Twp 12N Rge 9W County CANADIAN

Spot Location of End Point: S2 SE SW SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 1650

Depth of Deviation: 11680

Radius of Turn: 472

Direction: 185

Total Length: 10203

Measured Total Depth: 22625

True Vertical Depth: 12150

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

Additional Surface Owner	Address	City, State, Zip
VICKEY VAUGHN	23246 180TH STREET	PURCELL, OK 73096
LYNETTE VAUGHN LIVING TRUST	23246 180TH STREET	PURCELL, OK 73096

Notes:

Category

Description

DEEP SURFACE CASING

10/28/2019 - 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

10/28/2019 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

MEMO

10/28/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is 18 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 25557 VAUGHN 1H-14-23

PENDING CD - 201904936

10/29/2019 - G56 - (1280)(HOR) 14 & 23-12N-9W
VAC 204198 WDFD***
VAC 511693 WDFD
EST WDFD
POE TO BHL NCT 165' FNL & FSL, NCT 300' FEL & FWL
REC 10/28/2019 (JOHNSON)

***S/B COEXIST WITH SP # 204198 WDFD; WAS AMD AT HEARING PER ATTORNEY FOR OPERATOR

PENDING CD - 201904938

10/29/2019 - G56 - (I.O.) 14 & 23-12N-9W
X201904936 WDFD
COMPL INT (14-12N-9W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL
COMPL INT (23-12N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL
NO OP NAMED
REC 10/28/2019 (JOHNSON)

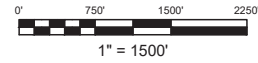
This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: VAUGHN 1H-14-23
Footage: 250' FSL - 1225' FEL Gr. Elevation: 1539'
Section: 11 Township: 12N Range: 9W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in an open pasture, with small hills.

017-25557



All bearings shown are grid bearings.



GPS DATUM
NAD 83
NAD 27
OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°31'23.04"N
Lon: 98°07'05.84"W
Lat: 35.52306577
Lon: -98.11828999
X: 1933299
Y: 190428

Surface Hole Loc.:
Lat: 35°31'22.85"N
Lon: 98°07'04.65"W
Lat: 35.52301440
Lon: -98.11795811
X: 1964897
Y: 190404

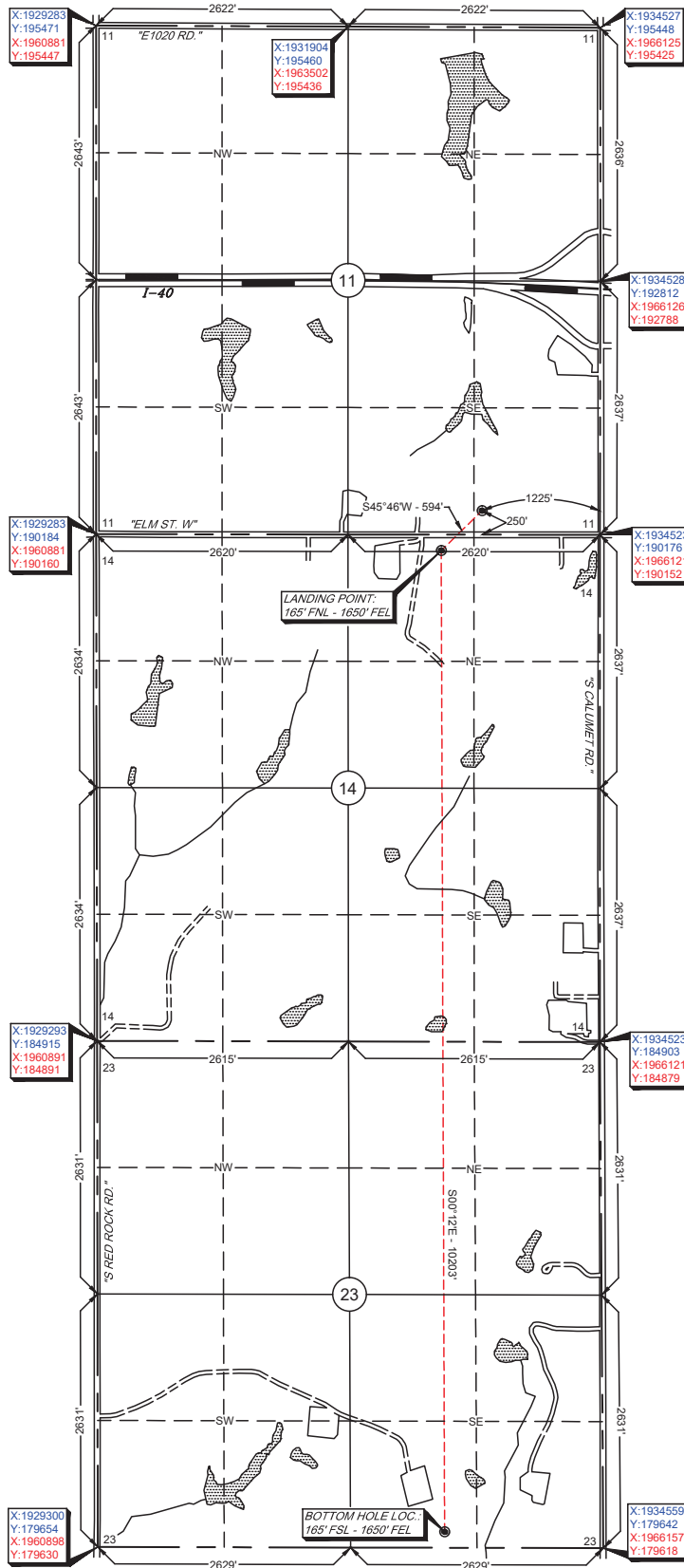
Landing Point:
Lat: 35°31'18.93"N
Lon: 98°07'10.98"W
Lat: 35.52192602
Lon: -98.11971805
X: 1932873
Y: 190013

Landing Point:
Lat: 35°31'18.75"N
Lon: 98°07'09.79"W
Lat: 35.52187462
Lon: -98.11938615
X: 1964471
Y: 189989

Bottom Hole Loc.:
Lat: 35°29'38.03"N
Lon: 98°07'10.41"W
Lat: 35.49389721
Lon: -98.11955953
X: 1932908
Y: 179810

Bottom Hole Loc.:
Lat: 35°29'37.84"N
Lon: 98°07'09.22"W
Lat: 35.49384501
Lon: -98.11922809
X: 1964506
Y: 179787

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. Stationing is shown 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 computed thereat, 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, 2020

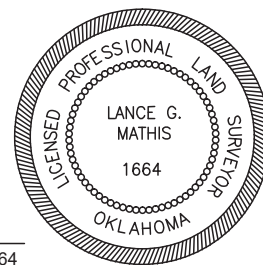
Certification:

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
LANCE G. MATHIS

09/18/19

OK LPLS 1664



Invoice #8554-A
Date Staked: 09/17/19 By: D.W.
Date Drawn: 09/17/19 By: J.H.