

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

API NUMBER: 017 25558

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: 275 1225

Lease Name: VAUGHN Well No: 2H-14-23 Well will be 275 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	MISSISSIPPIAN	12000	6
2			7
3			8
4			9
5			10

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201903415
201903416
201905314

Special Orders:

Total Depth: 22525 Ground Elevation: 1535 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: 19-37026

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 SW SE SE

Feet From: SOUTH 1/4 Section Line: 165

Feet From: EAST 1/4 Section Line: 990

Depth of Deviation: 11575

Radius of Turn: 475

Direction: 177

Total Length: 10203

Measured Total Depth: 22525

True Vertical Depth: 12050

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

10/18/2019 - 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

10/18/2019 - 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

10/18/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201903415

10/29/2019 - G56 - (E.O.)(1280)(HOR) 14 & 23-12N-9W
VAC 674213 MSSP
VAC 511693 MISS
POE TO BHL NCT 660' FB
REC 10/4/2019 (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.

017 25558 VAUGHN 2H-14-23

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.

PENDING CD - 201903416

10/29/2019 - G56 - (E.O.) 14 & 23-12N-9W
X201903415 MSSP
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 10/4/2019 (JOHNSON)

PENDING CD - 201905314

11/1/2019 - G56 - (E.O.) 23-12N-9W
X165:10-3-28(C)(2)(B) MSSP (VAUGHN 2H-14-23) MAY BE CLOSER THAN 600' TO SMITH 1-23
WELL
CITIZEN ENERGY III, LLC
REC 10/31/2019 (JOHNSON) PER ATTORNEY FOR OPERATOR

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.



Well Location Plat

S.H.L. Sec. 11-12N-9W I.M.
B.H.L. Sec. 23-12N-9W I.M.

Operator: CITIZEN ENERGY, LLC

Lease Name and No.: VAUGHN 2H-14-23

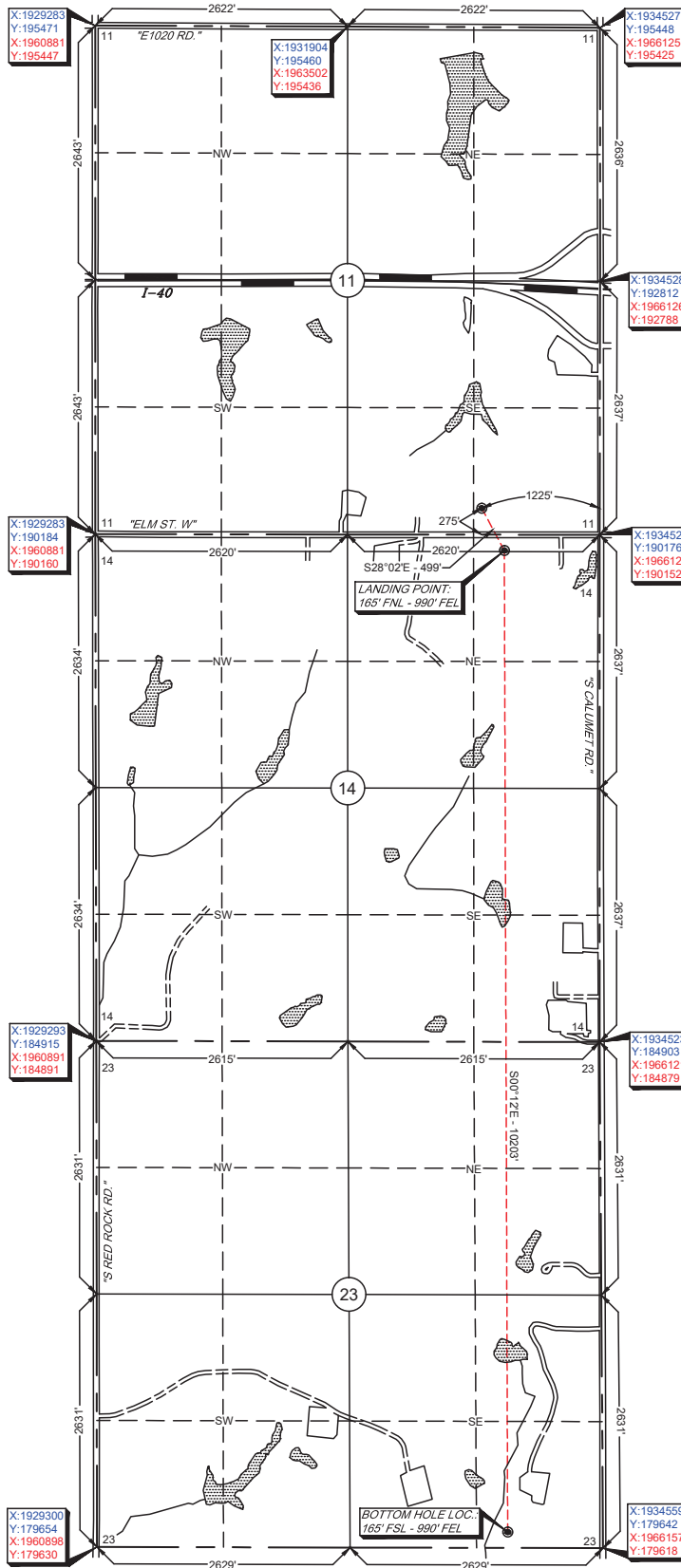
Footage: 275' FSL - 1225' FEL Gr. Elevation: 1535'

Section: 11 Township: 12N Range: 9W I.M.

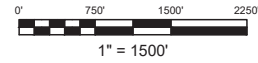
County: Canadian State of Oklahoma

Terrain at Loc.: Location fell in an open pasture, with small hills.

017-25558



All bearings shown are grid bearings.



GPS DATUM
NAD 83
NAD 27

OK NORTH ZONE

Surface Hole Loc.:
 Lat: 35°31'23.28"N
 Lon: 98°07'05.84"W
 Lat: 35.52313445
 Lon: -98.11828993
 X: 1933299
 Y: 190453

Surface Hole Loc.:
 Lat: 35°31'23.10"N
 Lon: 98°07'04.65"W
 Lat: 35.52308308
 Lon: -98.11795805
 X: 1964897
 Y: 190429

Landing Point:
 Lat: 35°31'18.93"N
 Lon: 98°07'03.00"W
 Lat: 35.52192551
 Lon: -98.11750023
 X: 1933533
 Y: 190012

Landing Point:
 Lat: 35°31'18.75"N
 Lon: 98°07'01.81"W
 Lat: 35.52187411
 Lon: -98.11716839
 X: 1965131
 Y: 189988

Bottom Hole Loc.:
 Lat: 35°29'38.02"N
 Lon: 98°07'02.43"W
 Lat: 35.49389525
 Lon: -98.11734240
 X: 1933568
 Y: 179809

Bottom Hole Loc.:
 Lat: 35°29'37.83"N
 Lon: 98°07'01.24"W
 Lat: 35.49384304
 Lon: -98.11701103
 X: 1965166
 Y: 179785

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. NO L&M data shown from this section. Corner may not have been surveyed. 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, 2020

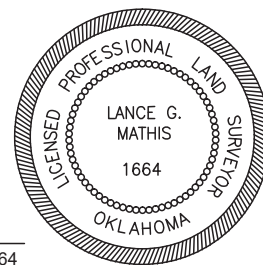
Certification:

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-B

Date Staked: 09/17/19 By: D.W.
 Date Drawn: 09/17/19 By: J.H.