

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

API NUMBER: 017 25654

Approval Date: 01/14/2021
Expiration Date: 07/14/2022

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 05 Township: 10N Range: 6W County: CANADIAN

SPOT LOCATION: SE NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 650 1570

Lease Name: BELLA Well No: 2H-32-29 Well will be 650 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

KEVIN RAY BORNEMANN AND JENNIFER A. BORNEMANN
9600 S. MANNING RD.
UNION CITY OK 73090

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9700

Spacing Orders: 239218 Location Exception Orders: 714969 Increased Density Orders: 715017
436709 715030
714966

Pending CD Numbers: No Pending Working interest owners' notified: *** Special Orders: No Special Orders

Total Depth: 20500 Ground Elevation: 1291 Surface Casing: 1000 Depth to base of Treatable Water-Bearing FM: 250

Deep surface casing has been approved

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 20-37487
H. (Other) SEE MEMO

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: BED AQUIFER
Pit Location Formation: DUNCAN

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits
Type of Mud System: OIL BASED
Chlorides Max: 300000 Average: 250000
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: DUNCAN

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.

MULTI UNIT HOLE 1

Section: 29 Township: 11N Range: 6W Meridian: IM Total Length: 10244
 County: CANADIAN Measured Total Depth: 20500
 Spot Location of End Point: N2 N2 N2 N2 True Vertical Depth: 9700
 Feet From: **NORTH** 1/4 Section Line: 165 End Point Location from
 Feet From: **EAST** 1/4 Section Line: 2640 Lease,Unit, or Property Line: 165

NOTES:

Category	Description
DEEP SURFACE CASING	[12/29/2020 - GC2] - 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	[12/29/2020 - GC2] - OCC 165:10-3-10 REQUIRES: 1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN; 2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: OCCWEB.COM/OG/OGFORMS.HTML ; AND, 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG
INCREASED DENSITY – 715017 (202001546)	[1/13/2021 - GB6] - 32-11N-6W X436709 MSSP 4 WELLS CITIZEN ENERGY III, LLC 10/22/2020
INCREASED DENSITY – 715030 (202001545)	[1/13/2021 - GB6] - 29-11N-6W X239218 MSSP 4 WELLS CITIZEN ENERGY III, LLC 10/23/2020
LOCATION EXCEPTION – 714969 (202001543)	[1/13/2021 - GB6] - (I.O.) 29 & 32 -11N-6W X239218 MSSP 29-11N-6W X436709 MSSP 32-11N-6W COMPL. INT. (32-11N-6W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (29-11N-6W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL CITIZEN ENERGY III, LLC 10/20/2020
MEMO	[12/29/2020 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING – 239218	[1/13/2021 - GB6] - (640) 29-11N-6W VAC OTHER EXT 231942 MSSP, OTHERS EXT OTHERS EST OTHER
SPACING – 436709	[1/13/2021 - GB6] - (640) 32-11N-6W EXT 311807 MSSP, OTHERS
SPACING – 714966 (202001539)	[1/13/2021 - GB6] - (I.O.) 29 & 32 -11N-6W EST MULTIUNIT HORIZONTAL WELL X239218 MSSP 29-11N-6W X436709 MSSP 32-11N-6W 50% 29-11N-6W 50% 32-11N-6W CITIZEN ENERGY III, LLC 10/20/2020

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