

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

API NUMBER: 073 26227 A

Approval Date: 08/22/2018
Expiration Date: 02/22/2020

Horizontal Hole Oil & Gas

Amend reason: CHANGE BOTTOM-HOLE LOCATION; UPDATE ORDERS

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 15N Rge: 6W County: KINGFISHER
SPOT LOCATION: NW NE NE NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 215 605

Lease Name: SAND HILLS 25-15N-06W Well No: 2MH Well will be 215 feet from nearest unit or lease boundary.
Operator Name: PALOMA OPERATING CO INC Telephone: 7136508509 OTC/OCC Number: 23932 0

PALOMA OPERATING CO INC
1100 LOUISIANA ST STE 5100
HOUSTON, TX 77002-5220

ANDREW MEIWES
4320 MOFATT ROAD NW
PIEDMONT OK 73078

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	7300	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 681164 Location Exception Orders: 683685 Increased Density Orders: 682075

Pending CD Numbers: Special Orders:

Total Depth: 12300 Ground Elevation: 1174 **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: No

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: BISON

Approved Method for disposal of Drilling Fluids:

- D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 18-34888
- G. Haul to recycling/re-use facility: Sec. 22 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741
- 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: BISON

HORIZONTAL HOLE 1

Sec 25 Twp 15N Rge 6W County KINGFISHER

Spot Location of End Point: S2 S2 S2 S2

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 2640

Depth of Deviation: 6645

Radius of Turn: 382

Direction: 200

Total Length: 5055

Measured Total Depth: 12300

True Vertical Depth: 7300

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

7/6/2018 - 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

7/6/2018 - 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

INCREASED DENSITY - 682075

2/5/2019 - G75 - 25-15N-6W
X681164 MSSP
4 WELLS
PALOMA OP. CO., INC.
8-24-2018

LOCATION EXCEPTION - 683685

2/5/2019 - G75 - (I.O.) 25-15N-6W
X681164 MSSP
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 450' FEL
PALOMA OP. CO., INC.
9-25-2018

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.

Category	Description
MEMO	7/6/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 681164	2/5/2019 - G75 - (640) 25-15N-6W EXT (VER) OTHER EST (HOR) MSSP POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 55880/62761 MSSLM)

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.

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

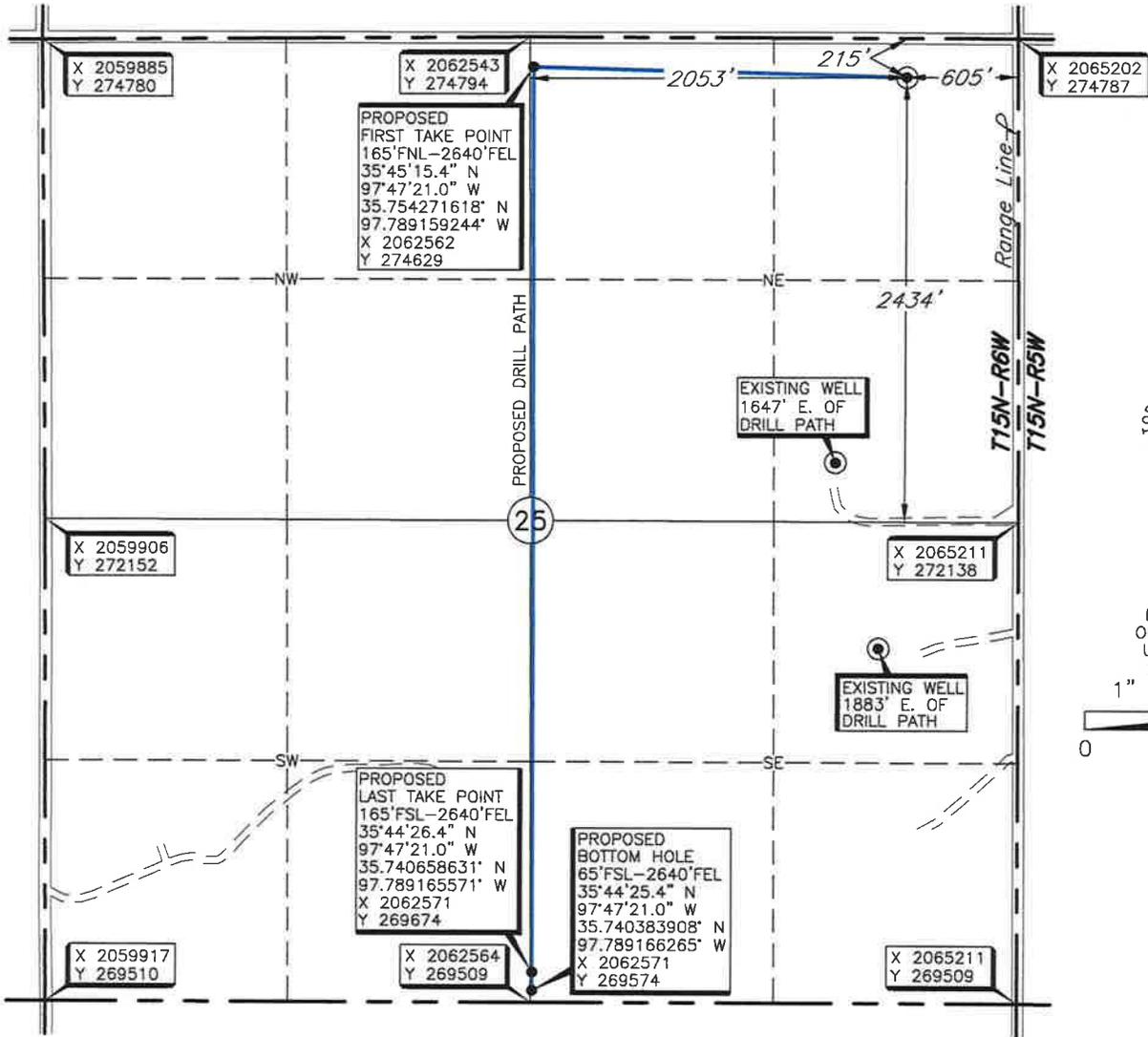
13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

API 073-26227 A

KINGFISHER

County, Oklahoma

215'FNL-605'FEL Section 25 Township 15N Range 6W I.M.



FIRST TAKE POINT, LAST TAKE POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

Operator: PALOMA OPERATING COMPANY, INC.

Lease Name: SAND HILLS 25-15N-6W

Well No.: 2MH

ELEVATION:
1174' Gr. at Stake

Topography & Vegetation Location fell in rolling pasture

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From North off county road

Distance & Direction from Hwy Jct or Town From the junction of St. Hwy 33 & US Hwy 81 in Kingfisher, Oklahoma, go ± 7.5 miles East on St. Hwy 33, then ± 7 miles South, then ± 1 mile East to the Northeast Corner of Section 25, T15N-R6W.

Date of Drawing: Jan. 10, 2019

Invoice # 311181A Date Staked: May 10, 2018 NB

This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy.

DATUM: NAD-27
 LAT: 35°45'14.8" N
 LONG: 97°46'56.3" W
 LAT: 35.754105421° N
 LONG: 97.782301123° W
 STATE PLANE COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 2064597
 Y: 274573

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Thomas L. Howell

Oklahoma Reg. No. 1433

