

API NUMBER: 017 25943

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

Approval Date: 04/03/2023

Expiration Date: 10/03/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 31 Township: 13N Range: 6W County: CANADIAN

SPOT LOCATION: ☐ SW ☐ SE ☐ NW ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 1455 928

Lease Name: BOO BEAR 31_30_19-13N-6W

Well No: 2MHXL

Well will be 928 feet from nearest unit or lease boundary.

Operator Name: PALOMA OPERATING CO INC

Telephone: 7136548534

OTC/OCC Number: 23932 0

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

BENJAMIN & JOYCE WALLACE
3911 SOUTHEAST 12TH AVENUE
GOLDSBY OK 73093

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	8500

Spacing Orders: 706530
672701
671185
733365

Location Exception Orders: 733366

Increased Density Orders: 731804

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 24000

Ground Elevation: 1298

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 340

Deep surface casing has been approved

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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 23-38968

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: ALLUVIAL

Pit Location Formation: ALLUVIUM

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: ALLUVIAL

Pit Location Formation: ALLUVIUM

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: 19	Township: 13N	Range: 6W	Meridian: IM	Total Length: 13314
	County: CANADIAN			Measured Total Depth: 24000
Spot Location of End Point: SW	SE	SW	NE	True Vertical Depth: 9500
Feet From: NORTH		1/4 Section Line: 2400		End Point Location from
Feet From: EAST		1/4 Section Line: 1726		Lease, Unit, or Property Line: 1726

NOTES:

Category	Description
DEEP SURFACE CASING	[3/31/2023 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING.
HYDRAULIC FRACTURING	<p>[3/31/2023 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; AND,</p> <p>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</p>
INCREASED DENSITY - 731804	<p>[4/3/2023 - GB7] - 31-13N-6W X672701 MSSP 2 WELLS PALOMA PARTNERS IV LLC 01/30/2023</p>
LOCATION EXCEPTION - 733366 (CD2023-000846)	<p>[4/3/2023 - GB7] - (I.O.) 19, 30, & 31-13N-6W X671185 MSSP 19-13N-6W X706530 MSSP 30-13N-6W X672701 MSSP 31-13N-6W X165:10-3-28(C)(2)(B) MSSP MAY BE CLOSER THAN 600' TO POWELL 6-19 (API# 017-20849) COMPL INT NCT 0' FNL, NCT 165' FSL, NCT 330' FEL (31-13N-6W) COMPL INT NCT 0' FNL, NCT 0' FSL, NCT 330' FEL (30-13N-6W) COMPL INT NCT 165' FNL, NCT 0' FSL, NCT 330' FEL (19-13N-6W) PALOMA PARTNERS IV LLC 03/31/2023</p>
MEMO	[3/31/2023 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH CANADIAN RIVER), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 671185	<p>[4/3/2023 - GB7] - (640)(HOR) 19-13N-6W EXT 648223 MSSP, OTHER COMPL INT NCT 660' FB (COEXIST WITH SP# 122201 MISS, OTHER)</p>
SPACING - 672701	<p>[4/3/2023 - GB7] - (640)(HOR) 31-13N-6W EST MSSP, OTHERS COMPL INT NCT 660' FB (COEXIST WITH SP# 11249 MISS, OTHER)</p>
SPACING - 706530	<p>[4/3/2023 - GB7] - (640)(HOR) 30-13N-6W EXT 671185/697192 MSSP, OTHER COMPL INT NCT 660' FB (COEXIST WITH SP# 122201 MISS, OTHER)</p>
SPACING - 733365 (CD2023-000845)	<p>[4/3/2023 - GB7] - (I.O.) 19, 30, & 31-13N-6W EST MULTIUNIT HORIZONTAL WELL X671185 MSSP 19-13N-6W X706530 MSSP 30-13N-6W X672701 MSSP 31-13N-6W 33% 19-13N-6W 34% 30-13N-6W 33% 31-13N-6W PALOMA PARTNERS IV LLC 03/31/2023</p>

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017 25943 BOO BEAR 31_30_19-13N-6W 2MHXL