API NUMBER: 017 25831

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

Approval Date: 07/22/2022
Expiration Date: 01/22/2024

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 11 Township: 14N Range: 9W County: CANADIAN

SPOT LOCATION: SW SE SW SW FEET FROM QUARTER: FROM **SOUTH** FROM **WEST**
SECTION LINES: **320** **885**

Lease Name: **CLYDE HANSEN 11_2-14N-9W** **Well No:** **2MHX** **Well will be** **320** **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 LOUISANA ST STE 5100
HOUSTON, TX 77002-5220

HARLAND A. & KAREN E. SCHWEITZER
15605 220TH STREET NORTHWEST
CALUMET OK 73014

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

	Name	Code	Depth
1	MISSISSIPPI SOLID	351MSSSD	9150

Spacing Orders: 166936, 726713
Location Exception Orders: 726715
Increased Density Orders: 726718, 726717

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

Total Depth: 24000 Ground Elevation: 1300 **Surface Casing: 1000** Depth to base of Treatable Water-Bearing FM: 420

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: 22-38417
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 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: BLAINE

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: BLAINE

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: 2	Township: 14N Range: 9W Meridian: IM	Total Length:	10250
County:	CANADIAN	Measured Total Depth:	24000
Spot Location of End Point:	NE NW NW NE	True Vertical Depth:	10200
Feet From:	**NORTH** 1/4 Section Line: 65	End Point Location from Lease,Unit, or Property Line:	65
Feet From:	**EAST** 1/4 Section Line: 2006		

NOTES:

Category	Description
DEEP SURFACE CASING	[7/1/2022 - 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	[7/1/2022 - 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: OCCEWEB.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 - 726717	[7/22/2022 - GB1] - (E.O.) 2-14N-9W X166936 MSSSD 2 WELLS PALOMA OPERATING CO, INC 7/8/2022
INCREASED DENSITY - 726718	[7/22/2022 - GB1] - (E.O.) 11-14N-9W X166936 MSSSD 2 WELLS PALOMA OPERATING CO, INC 7/8/2022
INTERMEDIATE CASING	[7/1/2022 - GC2] - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES
LOCATION EXCEPTION - 726715	[7/22/2022 - GB1] - (E.O.) 2 & 11-14N-9W X166936 MSSSD X165:10-3-28(C)(2)(B) MSSSD; MAY BE CLOSER THAN 600' TO SCHWEITZER B-1, SCHWEITZER 1, AND BILLER A1 COMPL. INT. (11-14N-9W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL COMPL. INT. (2-14N-9W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL PALOMA OPERATING CO, INC 7/8/2022
MEMO	[7/1/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 166936	[7/22/2022 - GB1] - (640) 2 & 11-14N-9W EXT OTHERS EXT 76186/164538 MSSSD, OTHER
SPACING - 726713	[7/22/2022 - GB1] - (E.O.) 2 & 11-14N-9W EST MULTIUNIT HORIZONTAL WELL X166936 MSSSD 50% 2-14N-9W 50% 11-14N-9W PALOMA OPERATING CO, INC 7/8/2022

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