

API NUMBER: 039 22618

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

Approval Date: 12/07/2022  
Expiration Date: 06/07/2024

Multi Unit Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 20 Township: 14N Range: 14W County: CUSTER

SPOT LOCATION: ☐ NW ☐ NW ☐ NW ☐ NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 289 2431

Lease Name: UNCLE RICO 17\_8-14N-14W Well No: 1MHX Well will be 289 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

ARLEN & RHONDA YODER  
9211 NORTH 2410 RD  
THOMAS OK 73669

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	12300

Spacing Orders: 677098 Location Exception Orders: 730123 Increased Density Orders: No Density  
677097  
730121

Pending CD Numbers: No Pending

Working interest owners' notified: \*\*\*

Special Orders: No Special

Total Depth: 26000 Ground Elevation: 1693

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 390

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: 22-38754  
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: 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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

**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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: 8	Township: 14N	Range: 14W	Meridian: IM	Total Length: 10280
County: CUSTER				Measured Total Depth: 26000
Spot Location of End Point: NE NE NW NW				True Vertical Depth: 15000
Feet From: <b>NORTH</b>		1/4 Section Line: 65		End Point Location from
Feet From: <b>WEST</b>		1/4 Section Line: 1140		Lease, Unit, or Property Line: 65

## NOTES:

Category	Description
DEEP SURFACE CASING	[12/7/2022 - 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.
FIELD RULE	[12/7/2022 - GC2] - MIN. 500' PER ORDER 42589
HYDRAULIC FRACTURING	<p>[12/7/2022 - 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 6000NHO. 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: <a href="https://oklahoma.gov/occ/divisions/oil-gas/ogcd-forms">HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS</a>; 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 <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
LOCATION EXCEPTION - 730123 (CD2022-003719)	<p>[12/7/2022 - GB7] - (I.O.) 17 &amp; 8-14N-14W  X677097 MSSP 17-14N-14W  X677098 MSSP 8-14N-14W  COMPL. INT. (17-14N-14W) NCT 0' FNL, NCT 165' FSL, NCT 330' FWL COMPL. INT. (8-14N-14W)  NCT 165' FNL, NCT 0' FSL, NCT 330' FWL  PALOMA PARTNERS IV LLC  11/28/2022</p>
MEMO	[12/7/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 677097	<p>[12/7/2022 - GB7] - (640)(HOR) 17-14N-14W  VAC 121743 CSTR  EST MSSP, OTHER  COMPL. INT. NLT 660' FB</p>
SPACING - 677098	<p>[12/7/2022 - GB7] - (640)(HOR) 8-14N-14W  VAC 121743 CSTR  EST MSSP, OTHER  COMPL. INT. NLT 660' FB</p>
SPACING - 730121 (CD2022-003717)	<p>[12/7/2022 - GB7] - (I.O.) 17 &amp; 8-14N-14W  EST MULTIUNIT HORIZONTAL WELL  X677097 MSSP 17-14N-14W  X677098 MSSP 8-14N-14W  50% 17-14N-14W  50% 8-14N-14W  PALOMA PARTNERS IV LLC  11/28/2022</p>

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039 22618 UNCLE RICO 17\_8-14N-14W 1MHX