

API NUMBER: 039 22619

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 2411

Lease Name: UNCLE RICO 17_8-14N-14W Well No: 2MHX 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
677097
730122

Location Exception Orders: 730124

Increased Density Orders: 729844
729845

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: 10302
	County: CUSTER			Measured Total Depth: 26000
Spot Location of End Point:	NW	NW	NE	NE
Feet From: NORTH			1/4 Section Line: 65	True Vertical Depth: 15000
Feet From: EAST			1/4 Section Line: 1140	End Point Location from 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 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 - 729844	<p>[12/7/2022 - GB7] - 8-14N-14W X677098 MSSP 1 WELL PALOMA PARTNERS IV LLC 11/14/2022</p>
INCREASED DENSITY - 729845	<p>[12/7/2022 - GB7] - 17-14N-14W X677097 MSSP 1 WELL PALOMA PARTNERS IV LLC 11/14/2022</p>
LOCATION EXCEPTION - 730122 (CD2022-003720)	<p>[12/7/2022 - GB7] - (I.O.) 17 & 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' FEL COMPL. INT. (8-14N-14W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL 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 - 730122 (CD2022-003718)	<p>[12/7/2022 - GB7] - (I.O.) 17 & 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 22619 UNCLE RICO 17_8-14N-14W 2MHX