

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

API NUMBER: 017 25512

Approval Date: 08/28/2019

Expiration Date: 02/28/2021

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 12N Rge: 8W

County: CANADIAN

SPOT LOCATION: ☐ NW ☐ NE ☐ NW ☐ NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 285 718

Lease Name: SUMMER MOON 8-12N-8W

Well No: 11MH

Well will be 285 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

CHARLES LAWRENCE  
3 PEBBLE DR  
ENID OK 73703

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

| Name          | Depth | Name | Depth |
|---------------|-------|------|-------|
| 1 MISSISSIPPI | 10968 | 6    |       |
| 2             |       | 7    |       |
| 3             |       | 8    |       |
| 4             |       | 9    |       |
| 5             |       | 10   |       |

Spacing Orders: 137303

Location Exception Orders: 699172

Increased Density Orders: 696868

Pending CD Numbers:

Special Orders:

Total Depth: 16122

Ground Elevation: 1413

**Surface Casing: 1500**

Depth to base of Treatable Water-Bearing FM: 310

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 3000 Average: 1500

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: DOG CREEK SHALE

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-36877

G. Haul to recycling/re-use facility: Sec. 22 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741

F. Haul to Commercial soil farming facility: Sec. 27 Twn. 17N Rng. 9W Cnty. 73 Order No: 659856

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: DOG CREEK SHALE

HORIZONTAL HOLE 1

Sec 08 Twp 12N Rge 8W County CANADIAN

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 400

Depth of Deviation: 10359

Radius of Turn: 463

Direction: 357

Total Length: 5035

Measured Total Depth: 16122

True Vertical Depth: 11113

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

Notes:

Category

Description

DEEP SURFACE CASING

8/6/2019 - 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

8/6/2019 - 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](http://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](http://FRACFOCUS.ORG)

INCREASED DENSITY - 696868

8/22/2019 - GC0 - 8-12N-8W  
X137303 MISS  
3 WELLS  
NO OP NAMED  
5/30/2019

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.

017 25512 SUMMER MOON 8-12N-8W 11MH

| Category                    | Description   |
|-----------------------------|---|
| LOCATION EXCEPTION - 699172 | 8/22/2019 - GC0 - (I.O.) 8-12N-8W<br>X137303 MISS<br>X165:10-3-28(C)(2)(B) MISS MAY BE CLOSER THAN 600' FROM EXISTING AND/OR PROPOSED WELLS<br>COMPL. INT. NCT 165' FSL, 165' FNL, NCT 660' FWL<br>PALOMA OPERATING CO. INC.<br>7/15/2019 |
| MEMO                        | 8/6/2019 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST; PIT 1 - WBM & CUTTINGS TO ORDER # 659856, 27-T17N-R9W, KINGFISHER CO; PIT 2 - OBM TO VENDOR, OBM CUTTINGS TO ORDER # 647741, 22-T16N-R9W, KINGFISHER CO       |
| SPACING - 137303            | 8/21/2019 - GC0 - (640) 8-12N-8W<br>EXT OTHER<br>EXT 122864/134373 MISS, OTHERS   |

017-25512

## TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

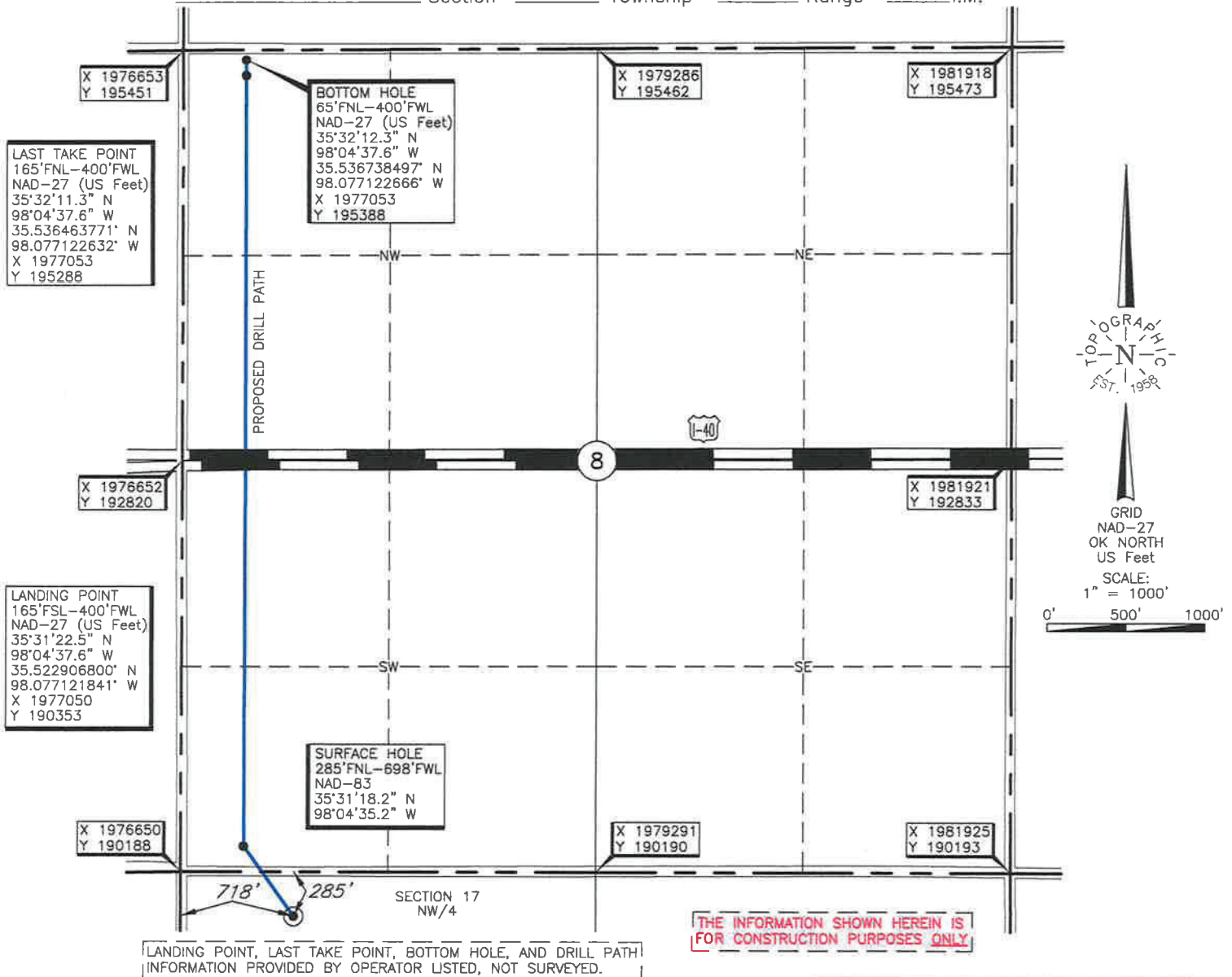
13800 Wireless Way, Okla. City, OK. 73134 \* LOCAL (405) 843-4847 \* OUT OF STATE (800) 654-3219

Certificate of Authorization No. 1293 LS

CANADIAN

County, Oklahoma

285'FNL-718'FWL Section 17 Township 12N Range 8W I.M.



Operator: PALOMA OPERATING COMPANY, INC.

Lease Name: SUMMER MOON 8-12N-8W

Well No.: 11MH

Topography &amp; Vegetation Loc. fell on existing pad.

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

Best Accessibility to Location From North off county road.

Distance &amp; Direction

from Hwy Jct or Town From the junction of Heaston Road &amp; I-40, go ±0.5 mile South on Heaston Road, to the Northwest Corner of Section 17, T12N-R8W.

Revision ☒ B

Date of Drawing: Aug. 5, 2019

Project # 123274A

Date Staked: May 20, 2019

AL

## 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.

Oklahoma Lic. No. 1433



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

DATUM: NAD-27  
LAT: 35°31'18.0" N  
LONG: 98°04'33.8" W  
LAT: 35.521671617' N  
LONG: 98.076051288' W  
STATE PLANE COORDINATES: (US Feet)  
ZONE: OK NORTH  
X: 1977368  
Y: 189903