

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

API NUMBER: 011 24191

Approval Date: 03/08/2019

Expiration Date: 09/08/2020

Horizontal Hole
Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 15N Rge: 13W County: BLAINE
SPOT LOCATION: ☐ SW ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 275 2614

Lease Name: BIG NUGGET 9_4-15N-13W Well No: 4MHX Well will be 275 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

JOYCE TOMLINSON, TRUSTEE
8133 NW 80TH ST
OKLAHOMA CITY OK 73132

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	10878	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 659938
659015
661308

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201900705
201900703
201900702
201900708

Special Orders:

Total Depth: 22260

Ground Elevation: 1733

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 220

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: 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

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-36171

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

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 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

HORIZONTAL HOLE 1

Sec 04 Twp 15N Rge 13W County BLAINE

Spot Location of End Point: NE NE NW NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 1130

Depth of Deviation: 11147

Radius of Turn: 478

Direction: 350

Total Length: 10363

Measured Total Depth: 22260

True Vertical Depth: 11906

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

Notes:

Category

Description

DEEP SURFACE CASING

3/6/2019 - 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

3/6/2019 - 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; 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

INTERMEDIATE CASING

3/6/2019 - G71 - 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

MEMO

3/6/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

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.

011 24191 BIG NUGGET 9_4-15N-13W 4MHX

Category	Description
PENDING CD - 201900702	3/8/2019 - G58 - (I.O.) 4 & 9-15N-13W X659938 MSSP X659015 MSSP COMPL. INT. 9-15N-13W NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. 4-15N-13W NCT 0' FSL, NCT 165' FNL, NCT 330' FWL NO OP. NAMED REC 3/5/2019 (JOHNSON)
PENDING CD - 201900703	3/8/2019 - G58 - 9-15N-13W X659015 MSSP 3 WELLS NO OP. NAMED REC 3/5/2019 (JOHNSON)
PENDING CD - 201900705	3/8/2019 - G58 - 4-15N-13W X659938 MSSP 2 WELLS NO OP. NAMED REC 3/5/2019 (JOHNSON)
PENDING CD - 201900708	3/8/2019 - G58 - (I.O.) 4 & 9-15N-13W EST MULTIUNIT HORIZONTAL WELL X659938 MSSP X659015 MSSP 50% 4-15N-13W 50% 9-15N-13W NO OP. NAMED REC 3/5/2019 (JOHNSON)
SPACING - 659015	3/8/2019 - G58 - (640) 9-15N-13W EXT 654488 MSSP, OTHERS EST OTHERS
SPACING - 659938	3/8/2019 - G58 - (640)(HOR) 4-15N-13W VAC 131101 CSTR EST MSSP, OTHERS COMPL. INT. NLT 660' FB
SPACING - 661308	3/8/2019 - G58 - NPT 659015 LEGAL DESCRIPTION

This permit does not address the right of entry or settlement of surface damages.

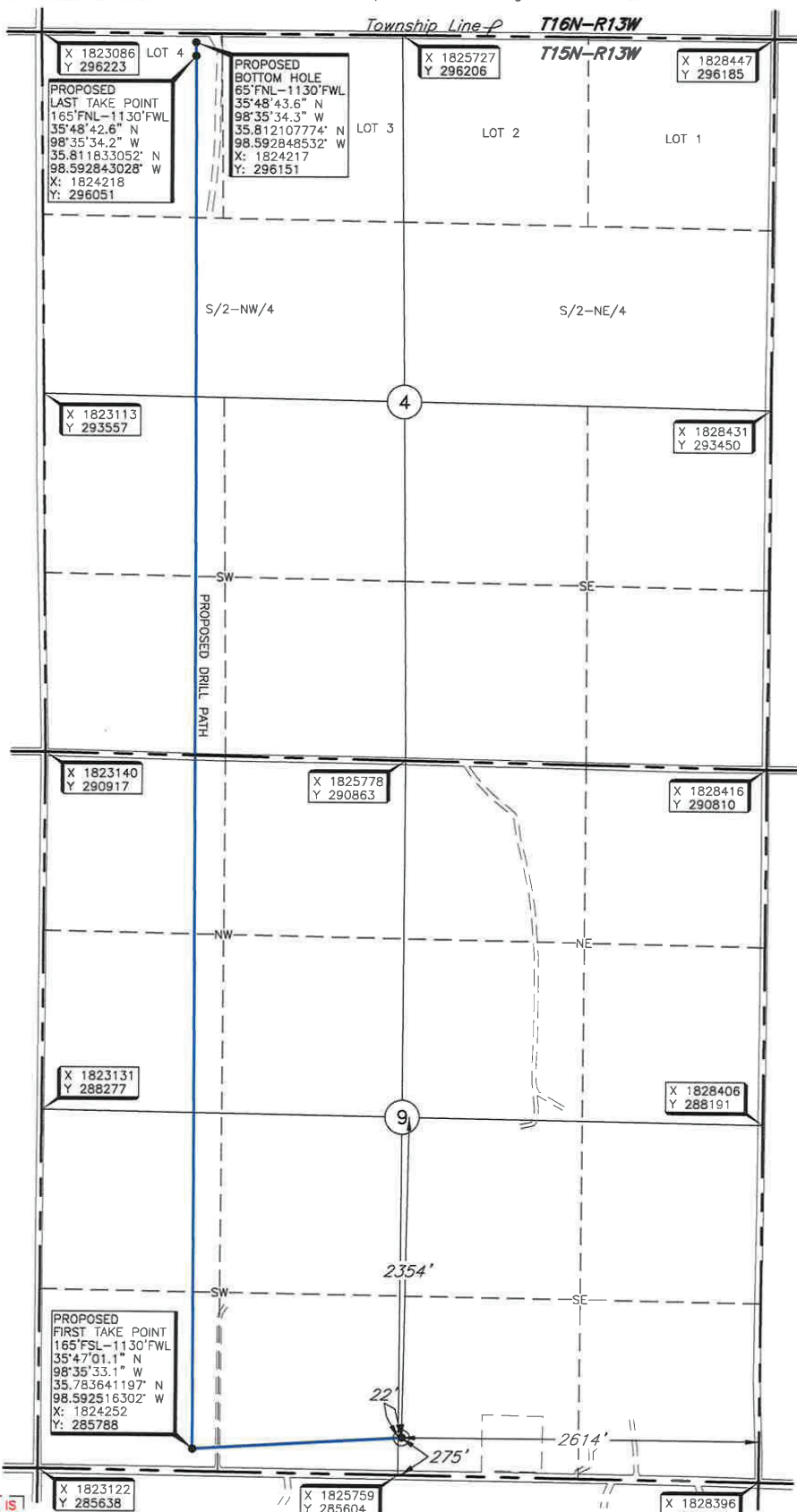
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Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

BLAINE County, Oklahoma
275'FSL-2614'FEL Section 9 Township 15N Range 13W I.M.



FIRST TAKE POINT, LAST TAKE POINT, BOTTOM HOLE AND DRILL PATH INFORMATION PROVIDED BY OPERATOR LISTED, NOT SURVEYED.



Operator: PALOMA OPERATING COMPANY, INC.
Lease Name: BIG NUGGET 9-4-15N-13W
Topography & Vegetation: Location fell in terraced wheat field.
Well No.: 4MHX
ELEVATION: 1733' Gr. at Stake
Good Drill Site? Yes
Best Accessibility to Location: From South off county road
Distance & Direction from Hwy Jet or Town: From the junction of St. Hwy 33/St. Hwy 3 & St. Hwy 8 in Watonga, Oklahoma, go ±9 miles West on St. Hwy 33/St. Hwy 3, then ±4 miles South to the Southeast Corner of Section 9, T15N-R13W.

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY.

DATUM: NAD-27
LAT: 35°47'02.1" N
LONG: 98°35'14.5" W
LAT: 35.783916149° N
LONG: 98.587357912° W
STATE PLANE COORDINATES (US FEET):
ZONE: OK NORTH
X: 1825783
Y: 285879

Date of Drawing: Jan. 8, 2019
Invoice # 3102378 Date Staked: Dec. 28, 2018 NB

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.

Thomas L. Howell
Oklahoma Lic. No. 1433

