

API NUMBER: 073 26680 A

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

Approval Date: 02/13/2020  
Expiration Date: 08/13/2021

Multi Unit Oil & Gas

Amend reason: OCC CORRECTION - UPDATE ORDERS

**AMEND PERMIT TO DRILL**

WELL LOCATION: Section: 31 Township: 16N Range: 7W County: KINGFISHER

SPOT LOCATION: SW SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 284 260

Lease Name: QUIDDITCH BIA 31-30-16N-7W Well No: 2MHX Well will be 260 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

CHRISTOPHER WALTA  
1006 TEAL RIDGE LN  
KINGFISHER OK 73750

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

	Name	Code	Depth
1	MISSISSIPPIAN	359MSSP	7851
2	MISSISSIPPIAN (LESS CHESTER)	359MSNLC	8181

Spacing Orders: 667524 Location Exception Orders: 699407 Increased Density Orders: 696330  
661506 697009  
699406

Pending CD Numbers: No Pending

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

Special Orders: No Special

Total Depth: 18726 Ground Elevation: 1082 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 280

Deep surface casing has been approved

Under Federal Jurisdiction: Yes  
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: 20-37224	
F. Haul to Commercial soil farming facility	Sec. 27 Twn. 17N Rng. 9W Cnty. 73 Order No: 659856
H. (Other)	SEE MEMO
G. Haul to recycling/re-use facility	Sec. 22 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741

**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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: BED AQUIFER

Pit Location Formation: CEDAR HILL

**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: BED AQUIFER

Pit Location Formation: CEDAR HILL

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: 30	Township: 16N	Range: 7W	Meridian: IM	Total Length: 10020	
	County: KINGFISHER			Measured Total Depth: 18726	
Spot Location of End Point: NW	NE	NE	NW	True Vertical Depth: 8250	
Feet From: <b>NORTH</b>		1/4 Section Line: 65		End Point Location from	
Feet From: <b>WEST</b>		1/4 Section Line: 2190		Lease, Unit, or Property Line: 65	

NOTES:	
Category	Description
DEEP SURFACE CASING	2/7/2020 - 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	2/7/2020 - GC2 - 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: <a href="http://OCCEWEB.COM/OG/OGFORMS.HTML">OCCEWEB.COM/OG/OGFORMS.HTML</a> ; 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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a>
INCREASED DENSITY - 696330 (201901184)	9/22/2021 - GC2 - 30-16N-7W X667524 MSSP 4 WELLS NO OP. NAMED 5-17-2019
INCREASED DENSITY - 697009 (201901185)	2/13/2020 - GC2 - 31-16N-7W X661506 MSNLC 4 WELLS NO OP. NAMED 6-3-2019
LOCATION EXCEPTION - 699407 (201901189)	2/13/2020 - GC2 - (I.O.) 31 & 30-16N-7W X661506 MSNLC, OTHER 31-16N-7W X667524 MSSP, OTHER 30-16N-7W COMPL. INT. (31-16N-7W) NCT 165' FSL, NCT 0' FNL, NCT 990' FWL COMPL. INT. (30-16N-7W) NCT 0' FSL, NCT 165' FNL, NCT 990' FWL PALOMA OPERATING CO. INC 7-19-2019
MEMO	2/7/2020 - GC2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - DEAD INDIAN CREEK), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 661506	2/13/2020 - GC2 - (640)(HOR) 31-16N-7W EXT 641015 MSNLC, OTHER EXT OTHER COMPL. INT. (MSNLC) NCT 660' FB (COEXIST SPACING ORDER 248318 MSSLM, OTHER)
SPACING - 667524	2/13/2020 - GC2 - (640)(HOR) 30-16N-7W EXT 646110 MSSP, OTHER COMPL. INT. (MSSP) NCT 660' FB (COEXIST SPACING ORDER 41819 MSCST)
SPACING - 699406 (201901188)	2/13/2020 - GC2 - (I.O.) 31 & 30-16N-7W EST MULTIUNIT HORIZONTAL WELL X661506 MSNLC, OTHER 31-16N-7W X667524 MSSP, OTHER 31-16N-7W*** 50% 31-16N-7W 50% 30-16N-7W PALOMA OPERATING CO. INC 7-19-2019  ***S/B 30-16N-7W; WILL BE FIXED BY ATTORNEY FOR OPERATOR

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073 26680 QUIDDITCH BIA 31-30-16N-7W 2MHX