

API NUMBER: 017 25749

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

Approval Date: 12/27/2021  
Expiration Date: 06/27/2023

Horizontal Hole Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 15 Township: 12N Range: 7W County: CANADIAN

SPOT LOCATION: SE SE NW SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 1527 1125

Lease Name: ROSEWOOD 16-12N-7W Well No: 4MH Well will be 1125 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

ETTA L. GOUCHER  
1817 SOUTH SHEPARD  
EL RENO OK 73036

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9100

Spacing Orders: 660608

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202102840  
202102841

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

Special Orders: No Special

Total Depth: 17000 Ground Elevation: 1357

Surface Casing: 500

Depth to base of Treatable Water-Bearing FM: 390

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: 21-37873  
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: 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 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: chickASHA

**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: CHICKASHA

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.

HORIZONTAL HOLE 1					
Section: 16	Township: 12N	Range: 7W	Meridian: IM	Total Length: 5000	
	County: CANADIAN			Measured Total Depth: 17000	
Spot Location of End Point: NE	NW	NE	NE	True Vertical Depth: 9600	
Feet From: <b>NORTH</b>		1/4 Section Line: 65		End Point Location from	
Feet From: <b>EAST</b>		1/4 Section Line: 900		Lease,Unit, or Property Line: 65	

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[12/20/2021 - 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 HYDRAULIC FRACTURING OPERATIONS. FORM 6000NHF SHALL BE USED AND IS FOUND AT THIS LINK: <a href="http://OCCWEB.COM/OG/OGFORMS.HTML">OCCWEB.COM/OG/OGFORMS.HTML</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>
MEMO	[12/20/2021 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - SIX MILE CREEK), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202102840	[12/27/2021 - GC2] - (E.O.) 16-12N-7W X660608 MSSP COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FEL PALOMA OPERATING CO., INC REC. 12/20/2021 ( P. PORTER)
PENDING CD - 202102841	[12/27/2021 - GC2] - (E.O.) 16-12N-7W X660608 MSSP 1 WELL PALOMA OPERATING CO., LLC REC. 12/20/2021 (P. PORTER)
SPACING - 660608	[12/27/2021 - GC2] - (640)(HOR) 16-12N-7W EST MSSP, OTHERS COMPL. INT. (MSSP) NLT 660' FB (COEXIST SP. ORDER #141057 MSSP)

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.

**WELL LOCATION**  
 ROSEWOOD 16-12N-7W 4MH  
 PALOMA OPERATING COMPANY, INC.  
 SECTION 15, TOWNSHIP 12N, RANGE 7W, I.M.  
 CANADIAN COUNTY, OKLAHOMA

**LEGEND**

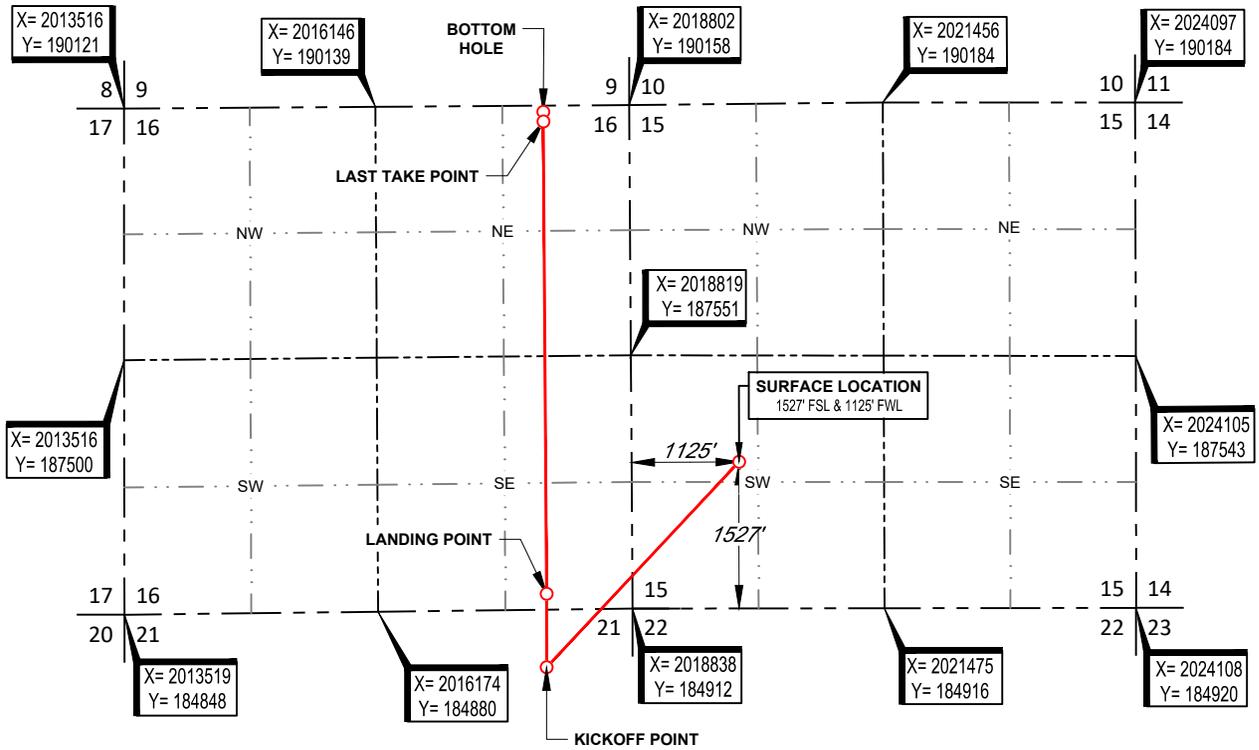
-  SECTION LINE
-  QUARTER SECTION LINE
-  16TH LINE
-  PROPOSED WELL BORE

SCALE: 1" = 1000'  
 0' 500' 1000'



**BOTTOM HOLE**  
 65' FNL & 900' FEL  
 NAD-27  
 X= 2017902  
 Y= 190086  
 LAT.: 35°31'19.9" N  
 LONG.: 97°56'23.4" W  
 LAT.: 35.522185° N  
 LONG.: 97.939844° W

**LAST TAKE POINT**  
 165' FNL & 900' FEL  
 NAD-27  
 X= 2017903  
 Y= 189986  
 LAT.: 35°31'18.9" N  
 LONG.: 97°56'23.4" W  
 LAT.: 35.521910° N  
 LONG.: 97.939842° W



**LANDING POINT**  
 165' FSL & 900' FEL  
 NAD-27  
 X= 2017937  
 Y= 185066  
 LAT.: 35°30'30.2" N  
 LONG.: 97°56'23.1" W  
 LAT.: 35.508394° N  
 LONG.: 97.939738° W

**KICKOFF POINT**  
 600' FNL & 900' FEL - SEC. 21  
 NAD-27  
 X= 2017938  
 Y= 184301  
 LAT.: 35°30'22.7" N  
 LONG.: 97°56'23.0" W  
 LAT.: 35.506293° N  
 LONG.: 97.939736° W

**SURFACE LOCATION**  
 1527' FSL & 1125' FWL  
 NAD-27  
 X= 2019952  
 Y= 186441  
 LAT.: 35°30'43.8" N  
 LONG.: 97°55'58.7" W  
 LAT.: 35.512167° N  
 LONG.: 97.932965° W  
 ELEV.: 1357'



**SURVEYOR'S CERTIFICATE:**

I, THOMAS L. HOWELL, AN OKLAHOMA LICENSED LAND SURVEYOR AND AN AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, DO HEREBY CERTIFY TO THE INFORMATION SHOWN HEREIN.

*Thomas L. Howell*  
 Thomas L. Howell, P.L.S. No. 1433

Authorized Agent of Topographic Land Surveyors



13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134  
 TELEPHONE: (405) 843-4847 OR (800) 654-3219  
 CERTIFICATE OF AUTHORIZATION NO. 1292 LS  
 WWW.TOPOGRAPHIC.COM

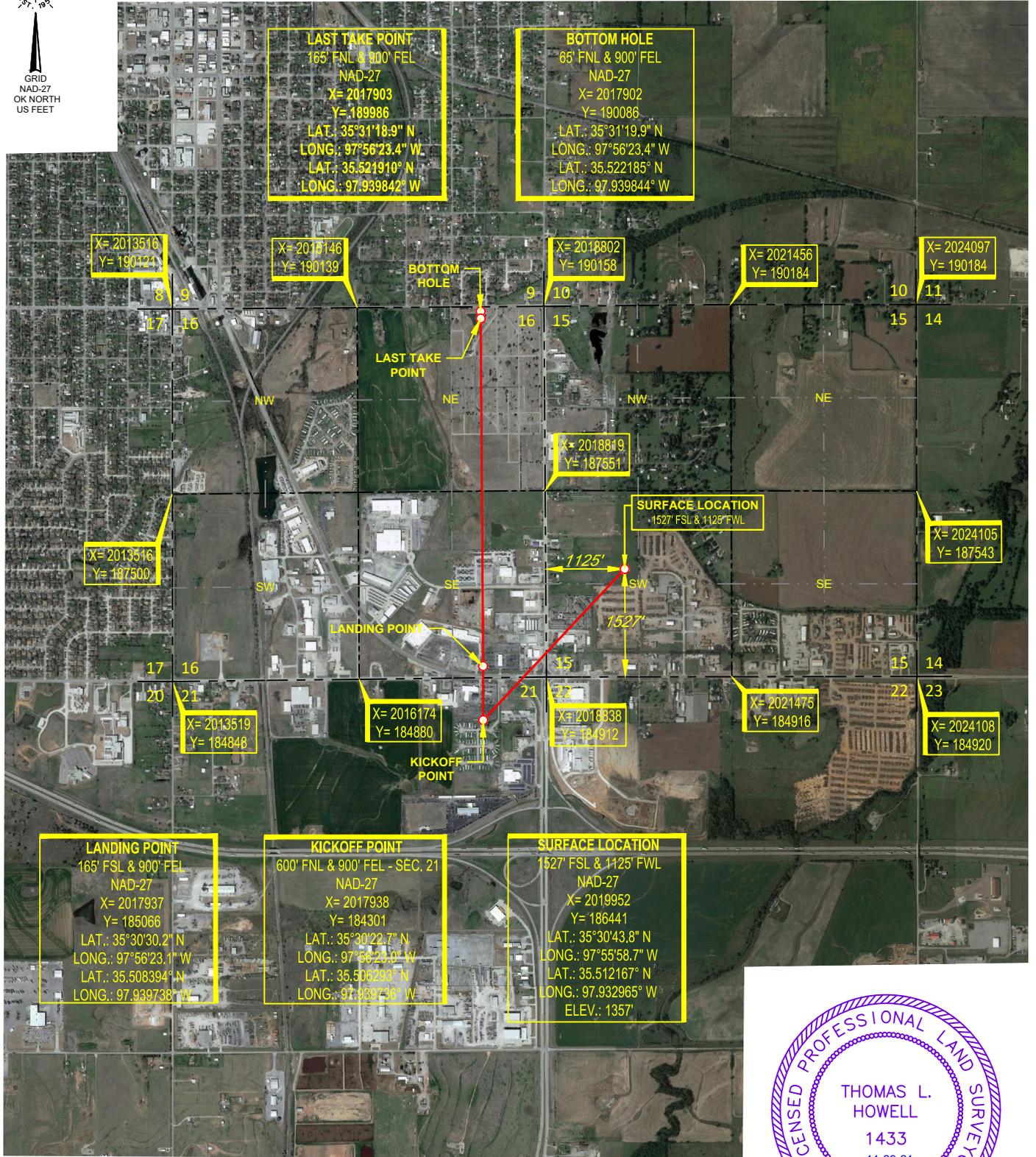
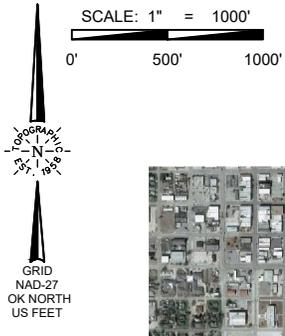
LEASE NAME & WELL NO. ROSEWOOD 16-12N-7W 4MH  
 SECTION 15 TWP 12N RGE 7W MERIDIAN I.M.  
 COUNTY CANADIAN STATE OKLAHOMA  
 DESCRIPTION 1527' FSL & 1125' FWL

ROSEWOOD 16-12N-7W 4MH	REVISION:	
	INT	DATE
DATE: 11/28/2021		
FILE:LO_ROSEWOOD_16-12N-7W_4MH		
DRAWN BY: KEU		
SHEET: 1 OF 2		

- NOTES:**
1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
  2. ALL BEARINGS SHOWN HEREON ARE GRID ACCORDING TO THE RESULTS OF STATIC GPS OBSERVATIONS PROCESSED THROUGH OPUS ON THE CONTROL POINT OCCUPIED WHILE MEASURING SAID LINES. OPUS RESULTS ARE CORRELATED TO OKLAHOMA, NORTH ZONE, NAD 27 - HORIZONTAL AND THE NATIONAL GEODETIC VERTICAL DATUM OF 1929.
  3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS EASEMENT/LOCATION, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND USING DOCUMENTATION PROVIDED BY PALOMA OPERATING COMPANY, INC. ONLY UTILITIES/EASEMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, WITHIN/ADJOINING THIS EASEMENT/LOCATION, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY.
  4. LANDING POINT, BOTTOM HOLE, AND DRILL PATH INFORMATION PROVIDED BY OPERATOR AS SHOWN AND ARE NOT SURVEYED LOCATIONS.
  5. THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

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 SECTION 15, TOWNSHIP 12N, RANGE 7W, I.M.  
 CANADIAN COUNTY, OKLAHOMA

LEGEND	
	SECTION LINE
	QUARTER SECTION LINE
	16TH LINE
	PROPOSED WELL BORE



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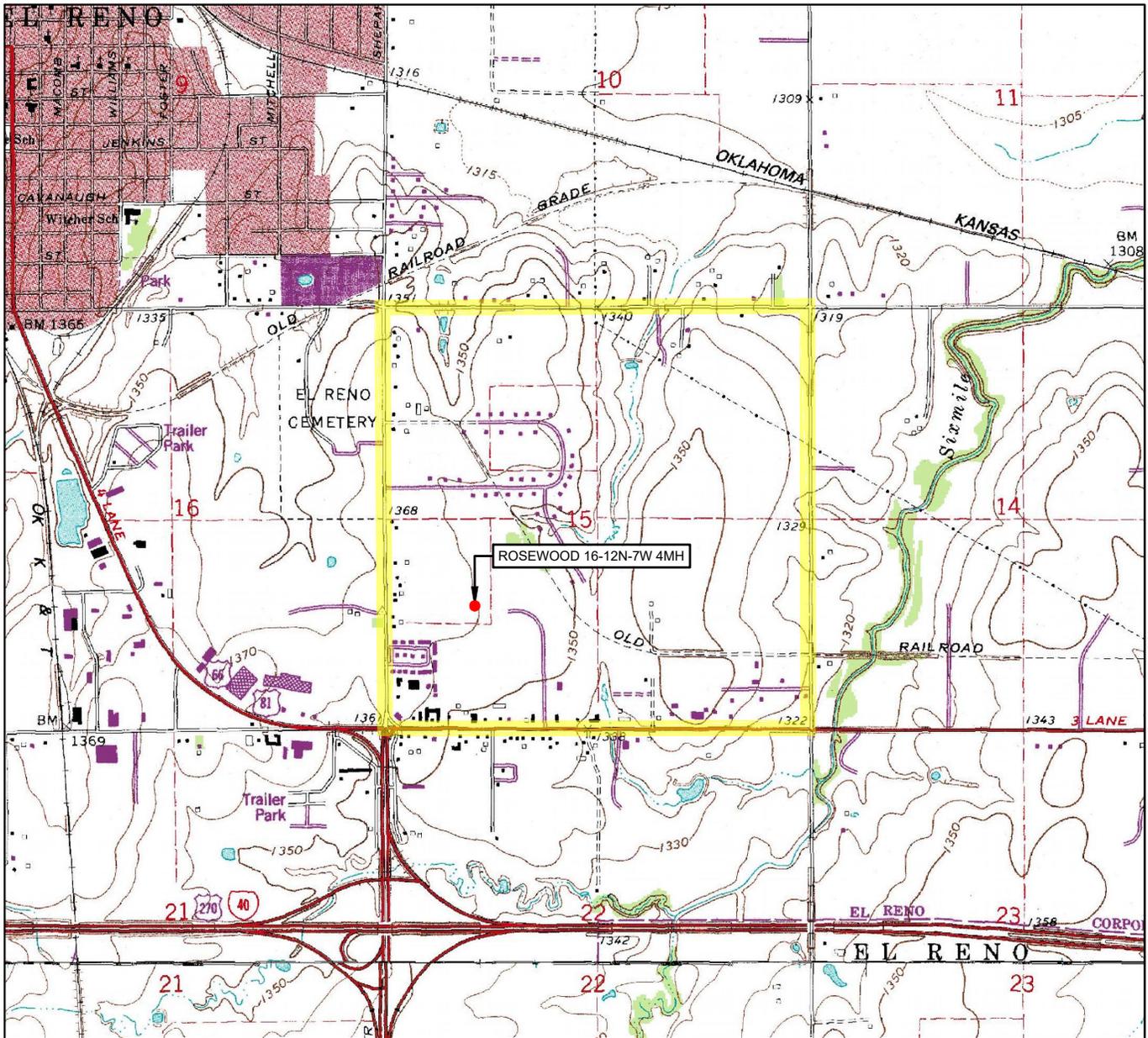
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DRAWN BY: KEU		
SHEET: 2 OF 2		

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# LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.      ROSEWOOD 16-12N-7W 4MH

SECTION 15    TWP 12N    RGE 7W    MERIDIAN I.M.  
 COUNTY CANADIAN    STATE OKLAHOMA  
 DESCRIPTION 1527' FSL & 1125' FWL  
 ELEVATION 1357'



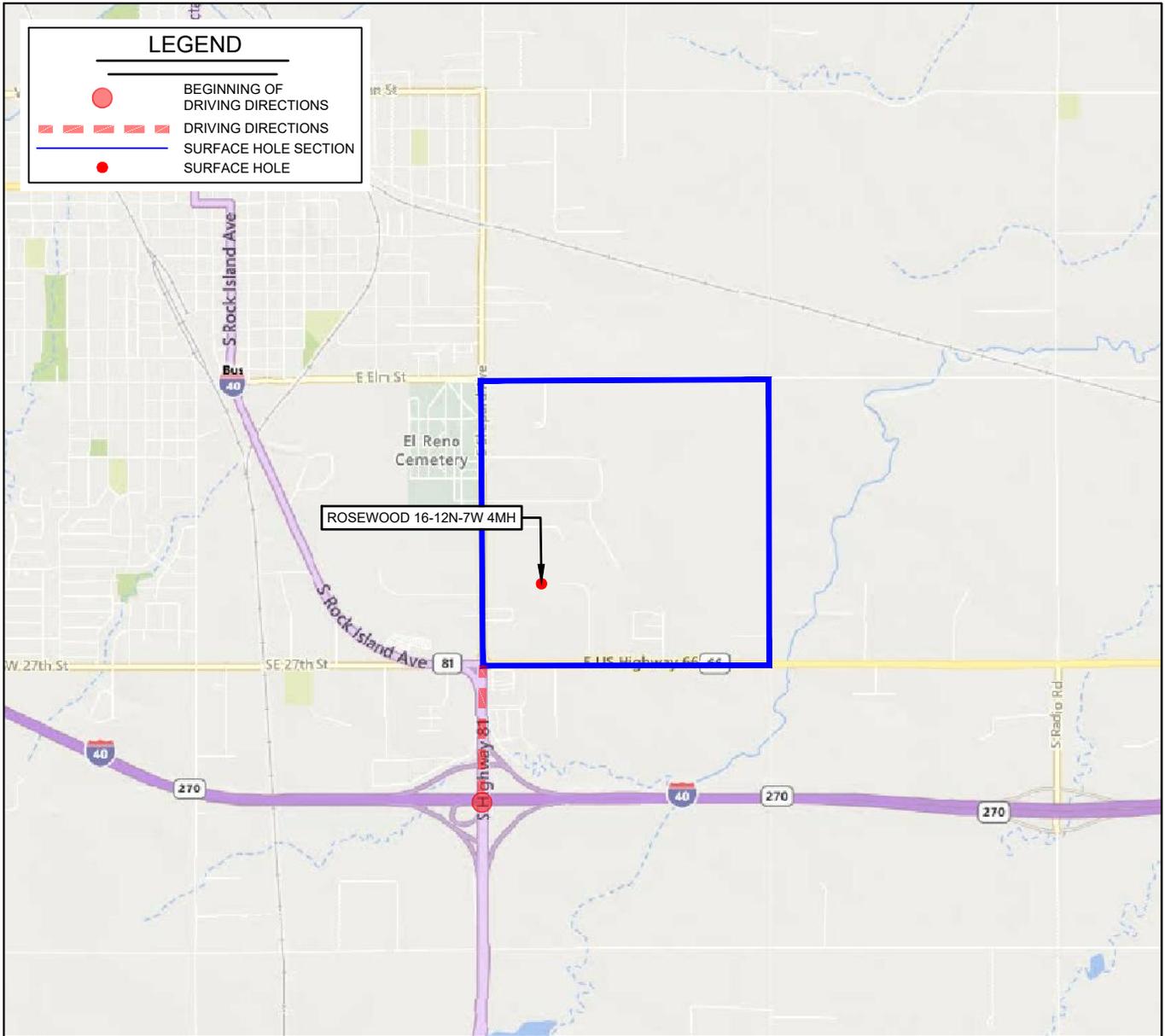
SCALE: 1" = 2000'  
 0'      1000'      2000'

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY PALOMA OPERATING COMPANY, INC.. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE OKLAHOMA STATE PLANE COORDINATE SYSTEM, NORTH ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET AND THE NATIONAL GEODETIC VERTICAL DATUM OF 1929.

**TOPOGRAPHIC**  
 LOYALTY INNOVATION LEGACY  
 13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134  
 TELEPHONE: (405) 843-4847 OR (800) 654-3219  
 CERTIFICATE OF AUTHORIZATION NO. 1292 LS  
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# VICINITY MAP



LEASE NAME & WELL NO. ROSEWOOD 16-12N-7W 4MH

SECTION 15 TWP 12N RGE 7W MERIDIAN I.M.

COUNTY CANADIAN STATE OKLAHOMA

DESCRIPTION 1527' FSL & 1125' FWL

DISTANCE & DIRECTION

FROM THE INTERSECTION OF I-40 & OK-81 GO ±0.5 MI. NORTH TO  
THE SOUTHWEST CORNER OF SECTION 15-T12N-R7W.

\_\_\_\_\_  
 \_\_\_\_\_

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SCALE: 1" = 3000'  
 0' 1500' 3000'

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