API NUMBER: 073 26428

Oil & Gas

Horizontal Hole

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

Approval Date: 01/31/2019
Expiration Date: 07/31/2020

PERMIT TO DRILL

WELL LOCATION:	Sec:	24	Twp:	15N	Rge:	6W	County:	KINGFISHER
			\neg	$\overline{}$		_		

SPOT LOCATION: E2 SW SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST SECTION LINES: 330 415

Lease Name: SAND HILLS 25-15N-6W Well No: 3MH Well will be 330 feet from nearest unit or lease boundary.

Operator PALOMA OPERATING CO INC Telephone: 7136508509 OTC/OCC Number: 23932 0

PALOMA OPERATING CO INC 1100 LOUISIANA ST STE 5100

HOUSTON, TX 77002-5220

DEBORAH JINDRA 16504 ARTHURS CIRCLE

EDMOND OK 73012

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

	Name	Depth	Name	Deptr	1
1	MISSISSIPPIAN	7388			
2		7			
3		8			
4		S			
5		1	0		
Spacing Orders:	681164	Location Exception Orders: 684602		Increased Density Orders:	682075

Pending CD Numbers: Special Orders:

Total Depth: 12462 Ground Elevation: 1208 Surface Casing: 1500 Depth to base of Treatable Water-Bearing FM: 240

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

D. One time land application -- (REQUIRES PERMIT)

Chlorides Max: 3000 Average: 1500

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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: BISON

PERMIT NO: 19-36172

HORIZONTAL HOLE 1

Sec 25 Twp 15N Rge 6W County KINGFISHER

Spot Location of End Point: SW SE SW SW
Feet From: SOUTH 1/4 Section Line: 65
Feet From: WEST 1/4 Section Line: 900

Depth of Deviation: 6910
Radius of Turn: 573
Direction: 175
Total Length: 4652

Measured Total Depth: 12462
True Vertical Depth: 7866
End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category Description

DEEP SURFACE CASING 1/24/2019 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS

OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR

SURFACE CASING

HYDRAULIC FRACTURING 1/24/2019 - 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

INCREASED DENSITY - 682075 1/31/2019 - G75 - (I.O.) 25-15N-6W X681164 MSSP

4 WELLS

PALOMA OP. CO., INC.

8-24-2018

LOCATION EXCEPTION - 684602 1/31/2019 - G75 - (I.O.) 25-15N-6W

X681164 MSSP

COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FWL

PALOMA OP. CO., INC.

10-9-2018

SPACING - 681164 1/31/2019 - G75 - (640) 25-15N-6W

EXT (VER) OTHER EST (HOR) MSSP

POE TO BHL NCT 660' FB

(COEXIST SP. ORDER # 55880/62761 MSSLM)

Oklahoma Lic. No. _