

API NUMBER: 051 24973

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

Approval Date: 10/04/2022

Expiration Date: 04/04/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 07 Township: 8N Range: 6W County: GRADY

SPOT LOCATION: NW NW NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 255 228

Lease Name: SMASHBOI 7_18-8N-6W Well No: 3MHX Well will be 228 feet from nearest unit or lease boundary.

Operator Name: PALOMA OPERATING CO INC Telephone: 7136548534 OTC/OCC Number: 23932 0

PALOMA OPERATING CO INC
1100 LOUISIANA ST STE 5100
HOUSTON, TX 77002-5220

EUBANK RANCH, LLC
PO BOX 2046
CHICKASHA OK 73023

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

| Name | Code | Depth |
|-----------------|---------|-------|
| 1 MISSISSIPPIAN | 359MSSP | 12100 |

Spacing Orders: 726762
670597
727840

Location Exception Orders: 727182

Increased Density Orders: 727017

Pending CD Numbers: 202202108

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 25000

Ground Elevation: 1223

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 410

Deep surface casing has been approved

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: 22-38564

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: DOG CREEK

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

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: 18 | Township: 8N | Range: 6W | Meridian: IM | Total Length: 10250 |
| County: GRADY | | | | Measured Total Depth: 25000 |
| Spot Location of End Point: SW | SE | SE | SE | True Vertical Depth: 13000 |
| Feet From: SOUTH | 1/4 Section Line: 65 | | End Point Location from | |
| Feet From: EAST | 1/4 Section Line: 400 | | Lease, Unit, or Property Line: 65 | |

NOTES:

| Category | Description |
|---|---|
| DEEP SURFACE CASING | [9/6/2022 - 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 | <p>[9/6/2022 - 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: OCCEWEB.COM/OG/OGFORMS.HTML; 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 FRACFOCUS.ORG</p> |
| INCREASED DENSITY - 727017 (CD2022-002109) | <p>[9/9/2022 - GB7] - (I.O.) 18-8N-6W X726762 MSSP 1 WELL PALOMA PARTNERS IV LLC 07/20/2022</p> |
| LOCATION EXCEPTION - 727182 (CD2022-002107) | <p>[9/9/2022 - GB7] - (I.O.) 7, 18-8N-6W X670597 MSSP, OTHER 7-8N-6W X726762 MSSP, OTHER 18-8N-6W COMPL. INT. (7-8N-6W) NCT 165' FNL, NCT 0' FSL, NCT 450' FWL & NCT 330' FEL COMPL. INT. (18-8N-6W) NCT 0' FNL, NCT 165' FSL, NCT 450' FWL & NCT 330' FEL PALOMA PARTNERS IV LLC 07/27/2022</p> |
| MEMO | [9/6/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING - CD2022-002108 | <p>(I.O.) 7-8N-6W X670597 MSSP, OTHER 2 WELLS PALOMA PARTNERS IV LLC REC. 06/27/2022 (DENTON)</p> |
| SPACING - 670597 | <p>[9/9/2022 - GB7] - (640)(HOR) 7-8N-6W EST MSSP, OTHERS COMPL. INT. (MSSP) NCT 660' FB (COEXIST SP. ORDER# 160440 MSSLM)</p> |
| SPACING - 726762 | <p>[9/9/2022 - GB7] - (640)(HOR) 18-8N-6W VAC 160440 MSSP 18-8N-6W EST MSSP, OTHER COMPL. INT. (MSSP) NCT 660' FB</p> |
| SPACING - 727840 (CD2022-002105) | <p>[9/9/2022 - GB7] - (I.O.) 7 & 18-8N-6W EST MULTIUNIT HORIZONTAL WELL X670597 MSSP, OTHER 7-8N-6W X726762 MSSP, OTHER 18-8N-6W 50% 7-8N-6W 50% 18-8N-6W PALOMA PARTNERS IV LLC 08/24/2022</p> |

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.

051 24973 SMASHBOI 7_18-8N-6W 3MHX