

API NUMBER: 017 25848

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

Approval Date: 09/12/2022
Expiration Date: 03/12/2024

Multi Unit Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 13 Township: 12N Range: 9W County: CANADIAN

SPOT LOCATION: ☐ NW ☐ NE ☐ NE ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 303 2105

Lease Name: THE DUCA 13_24-12N-9W Well No: 2MHX Well will be 303 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

CLYDE GENE MILLER
15603 JONES ROAD NORTHWEST
CALUMET OK 73014

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

	Name	Code	Depth
1	MISSISSIPPI	351MISS	10500
2	MISSISSIPPI LIME	351MSSLM	11550

Spacing Orders: 167299
195969

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202203006
202203010
202203012
202203002

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 24000 Ground Elevation: 1534

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 320

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: 22-38538
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: 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: BED AQUIFER

Pit Location Formation: MARLOW

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: MARLOW

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: 24	Township: 12N	Range: 9W	Meridian: IM
		Total Length: 10200	
County: CANADIAN		Measured Total Depth: 24000	
Spot Location of End Point: SW SE SE SW		True Vertical Depth: 12000	
Feet From: SOUTH		1/4 Section Line: 65	
Feet From: WEST		1/4 Section Line: 2112	
		End Point Location from Lease, Unit, or Property Line: 65	

Additional Surface Owner(s)	Address	City, State, Zip
LARRY ALLEN & KATHERINE MAE MILLER	14523 ELM STREET WEST	CALUMET, OK 73014

NOTES:	
Category	Description
DEEP SURFACE CASING	[8/24/2022 - 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>[8/24/2022 - 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>
MEMO	[8/24/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202203002	<p>[9/12/2022 - G56] - (I.O.) 13 & 24-12N-9W EST MULTIUNIT HORIZONTAL WELL X167299 MISS 13-12N-9W X195969 MSSLM 24-12N-9W 50% 13-12N-9W 50% 24-12N-9W NO OP NAMED REC 8/22/2022 (THOMAS)</p>
PENDING CD - 202203006	<p>[9/12/2022 - G56] - (I.O.) 13 & 24-12N-9W X167299 MISS 13-12N-9W X195969 MSSLM 24-12N-9W COMPL INT (13-12N-9W) NCT 165' FNL, NCT 0' FSL, NCT 450' FWL COMPL INT (24-12N-9W) NCT 0' FNL, NCT 165' FSL, NCT 450' FWL NO OP NAMED REC 8/22/2022 (THOMAS)</p>
PENDING CD - 202203010	<p>[9/12/2022 - G56] - 13-12N-9W X167299 MISS 2 WELLS NO OP NAMED REC 8/22/2022 (THOMAS)</p>
PENDING CD - 202203012	<p>[9/12/2022 - G56] - 24-12N-9W X195969 MSSLM 2 WELLS NO OP NAMED REC 8/22/2022 (THOMAS)</p>
SPACING - 167299	<p>[9/12/2022 - G56] - (640) 13-12N-9W EXT 144779 MISS, OTHERS</p>
SPACING - 195969	<p>[9/12/2022 - G56] - (640) 24-12N-9W EXT OTHERS EXT 194956 MSSLM, OTHERS</p>

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017 25848 THE DUCA 13_24-12N-9W 2MHX