

API NUMBER: 017 25862

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

Approval Date: 09/20/2022

Expiration Date: 03/20/2024

Multi Unit

Oil & Gas

**PERMIT TO DRILL**

WELL LOCATION: Section: 14 Township: 12N Range: 8W County: CANADIAN

SPOT LOCATION: SE SE SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST  
SECTION LINES: 274 251

Lease Name: LONE WOLF 23\_26-12N-8W Well No: 4MHX Well will be 251 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

ROGER CHILES  
1441 CANYON LAKE ROAD  
CALUMET OK 73014

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

| Name            | Code    | Depth |
|-----------------|---------|-------|
| 1 MISSISSIPPIAN | 359MSSP | 9800  |

Spacing Orders: 592444  
134266

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202203244  
202203245  
202203240

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

Special Orders: No Special

Total Depth: 22000 Ground Elevation: 1401

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 350

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: 22-38586

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: 26                 | Township: 12N | Range: 8W | Meridian: IM      | Total Length: 7750    |                               |       |
| County: CANADIAN            |               |           |                   | Measured Total Depth: | 22000                         |       |
| Spot Location of End Point: | SE            | SE        | SW                | NE                    | True Vertical Depth:          | 11500 |
| Feet From:                  | NORTH         |           | 1/4 Section Line: |                       | 2639                          |       |
| Feet From:                  | EAST          |           | 1/4 Section Line: |                       | 1620                          |       |
|                             |               |           |                   |                       | End Point Location from       |       |
|                             |               |           |                   |                       | Lease,Unit, or Property Line: | 1620  |

# NOTES:

| Category               | Description  |
|------------------------|--|
| DEEP SURFACE CASING    | [9/16/2022 - 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>[9/16/2022 - 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: <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                   | [9/16/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT   |
| PENDING CD - 202203240 | <p>[9/20/2022 - G56] - (I.O.) 23 &amp; 26-12N-8W<br/> EST MULTIUNIT HORIZONTAL WELL<br/> X134266 MSSP 23-12N-8W<br/> X592444 MSSP 26-12N-8W<br/> 67% 23-12N-8W<br/> 33% 26-12N-8W<br/> NO OP NAMED<br/> REC 9/6/2022 (MYLES)</p>   |
| PENDING CD - 202203244 | <p>[9/20/2022 - G56] - (I.O.) 23 &amp; 26-12N-8W<br/> X134266 MSSP 23-12N-8W<br/> X592444 MSSP 26-12N-8W<br/> COMPL INT (23-12N-8W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL<br/> COMPL INT (26-12N-8W) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL<br/> NO OP NAMED<br/> REC 9/6/2022 (MYLES)</p>  |
| PENDING CD - 202203245 | <p>[9/20/2022 - G56] - 23-12N-8W<br/> X134266 MSSP<br/> 1 WELL<br/> NO OP NAMED<br/> REC 9/6/2022 (MYLES)</p>  |
| SPACING - 134266       | <p>[9/20/2022 - G56] - (640) 23-12N-8W<br/> EXT OTHERS<br/> EXT 132430 CSTR, MSSP, OTHERS<br/> (VAC BY SP # 592714 CSTR)</p>   |
| SPACING - 592444       | <p>[9/20/2022 - G56] - (640) 26-12N-8W<br/> VAC 132430 CSTR, MISS<br/> EXT 134266 MSSP</p>   |

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017 25862 LONE WOLF 23\_26-12N-8W 4MHX