

API NUMBER: 051 24915

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

Approval Date: 02/25/2022

Expiration Date: 08/25/2023

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 26 Township: 10N Range: 7W County: GRADY

SPOT LOCATION: ☐ SE ☐ SE ☐ SE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 327 2398

Lease Name: MADDEN 26_23-10N-7W Well No: 2MHX Well will be 327 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

TOLL FARMS, LLC
P.O. BOX 105
MINCO OK 73059

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	10450

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202103002
202103004
202103005

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 24000

Ground Elevation: 1347

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 310

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: 22-38156

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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: AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

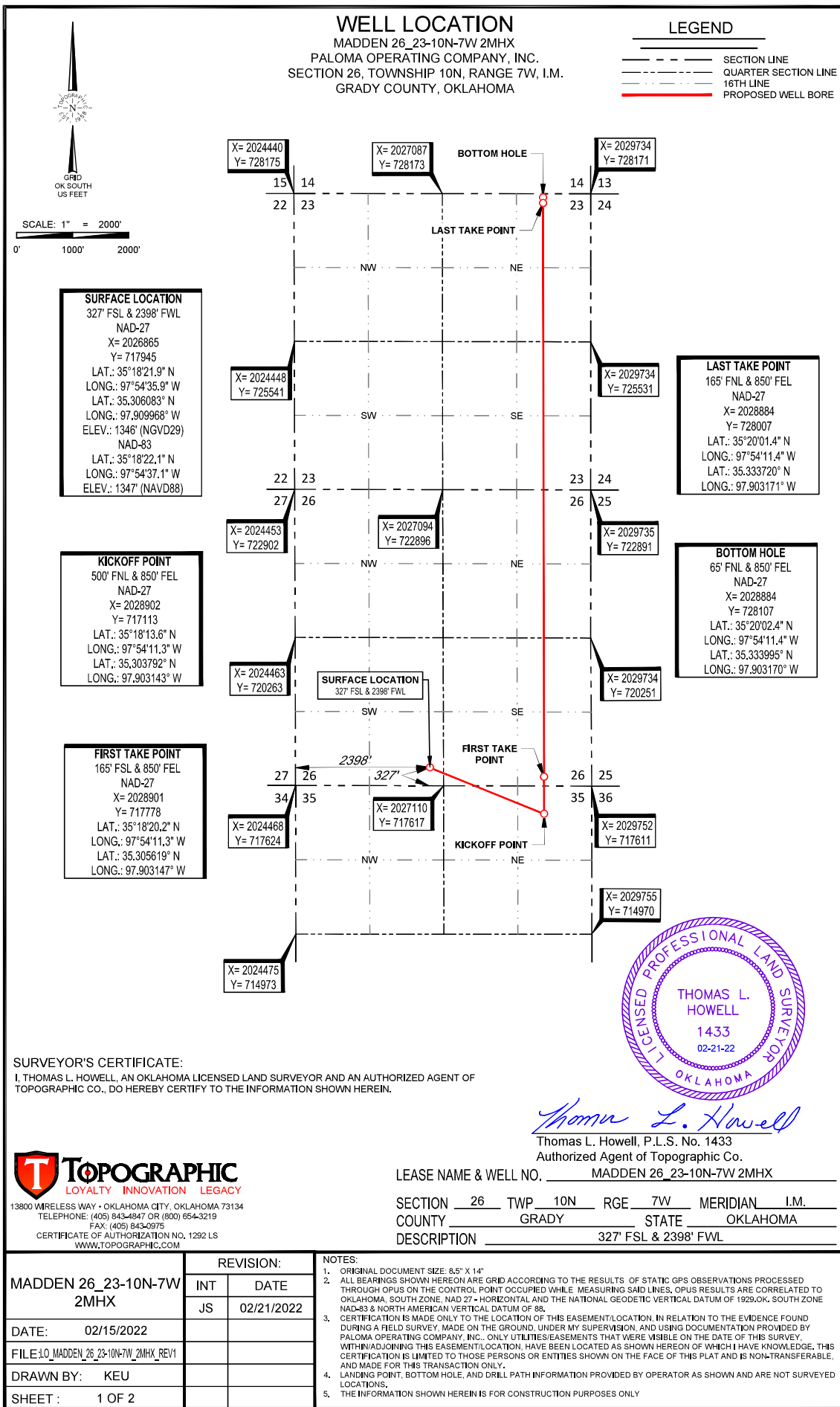
Section: 23 Township: 10N Range: 7W Meridian: IM Total Length: 10250
County: GRADY Measured Total Depth: 24000
Spot Location of End Point: NE NW NE NE True Vertical Depth: 11200
Feet From: **NORTH** 1/4 Section Line: 65 End Point Location from
Feet From: **EAST** 1/4 Section Line: 850 Lease,Unit, or Property Line: 65

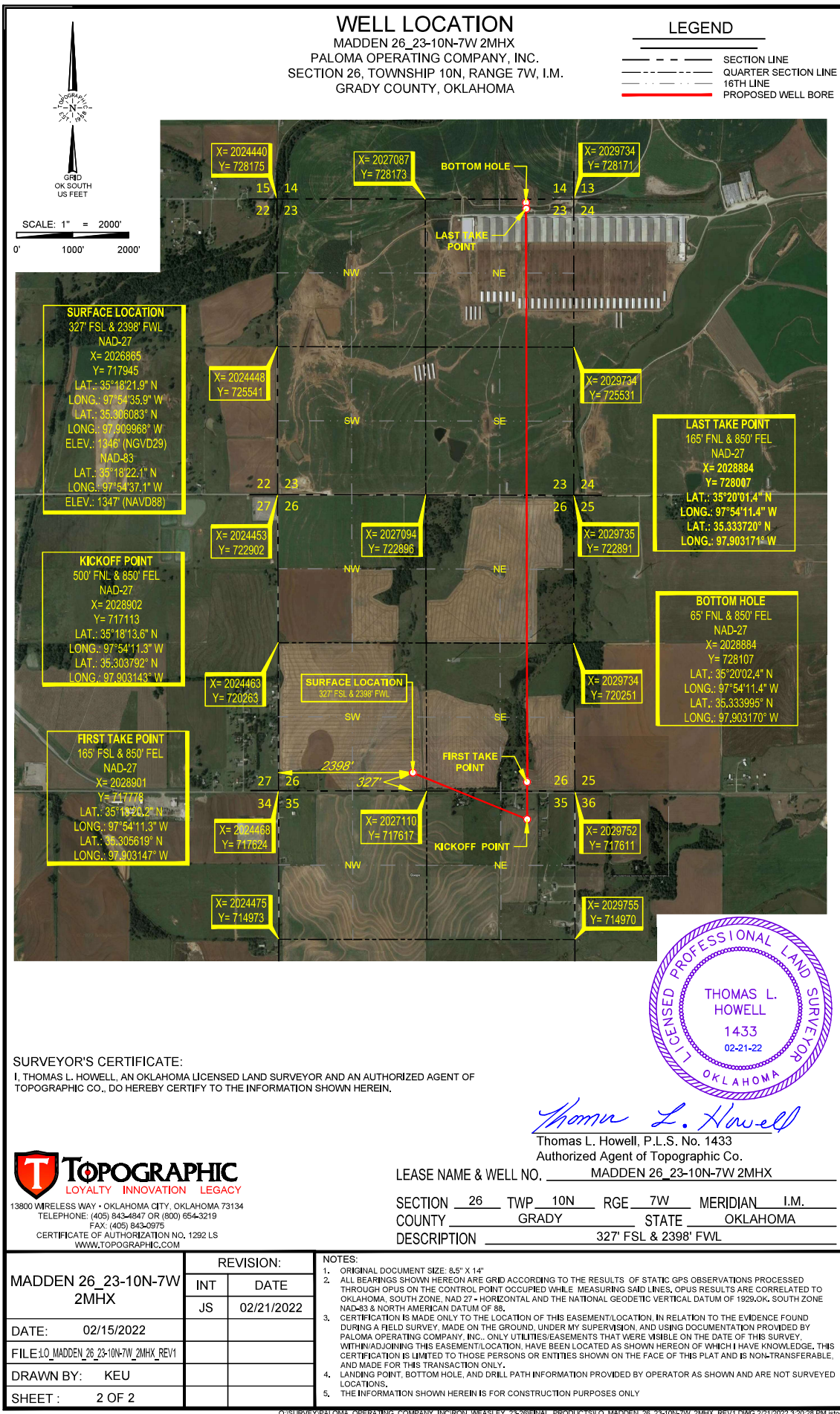
NOTES:

Category	Description
DEEP SURFACE CASING	[2/23/2022 - GB1] - 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	[2/23/2022 - GB1] - OCC 165:10-3-10 REQUIRES: 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; 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, 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
MEMO	[2/23/2022 - GB1] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202103002	[2/24/2022 - G56] - (1280)(HOR) 23 & 26-10N-7W EST MSSP, OTHER COMPL INT NCT 660' FB (COEXIST WITH SP # 107705)
PENDING CD - 202103004	[2/24/2022 - G56] - (I.O.) 23 & 26-10N-7W X202103002 MSSP X165:10-3-28(C)(2)(B) MSSP MAY BE CLOSER THAN 600' TO FEHMER 1-23 & MACKEY 1-26 WELLS COMPL INT NCT 165' FSL, NCT 165' FNL, NCT 330' FEL NO OP NAMED REC 1/24/2022 (DENTON)
PENDING CD - 202103005	[2/24/2022 - G56] - 23 & 26-10N-7W X202103002 MSSP 1 WELL NO OP NAMED REC 1/24/2022 (DENTON)

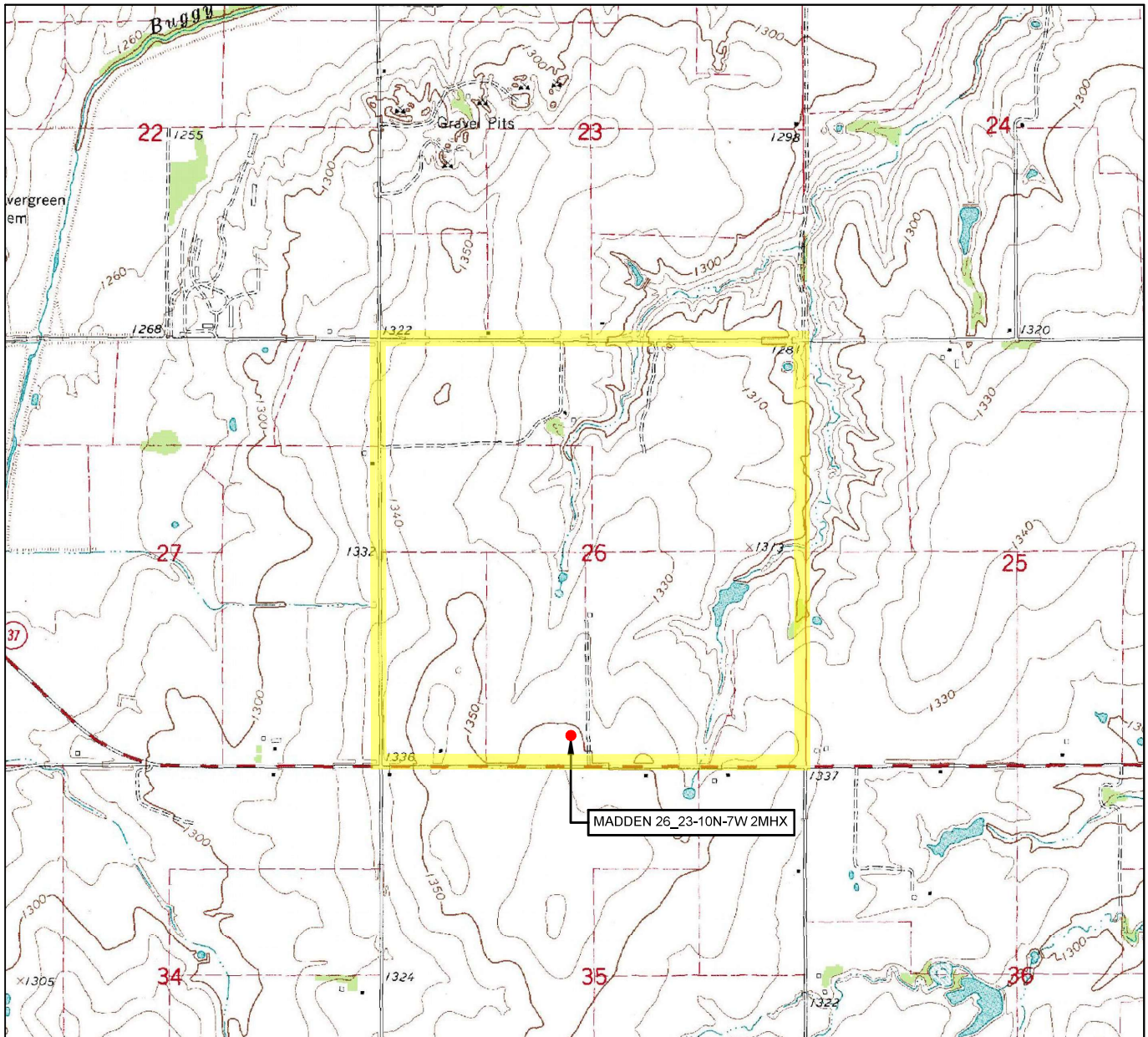
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051 24915 MADDEN 26_23-10N-7W 2MHX





LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO. MADDEN 26_23-10N-7W 2MHX

SECTION 26 TWP 10N RGE 7W MERIDIAN I.M.

COUNTY GRADY STATE OKLAHOMA

DESCRIPTION 327' FSL & 2398' FWL

ELEVATION 1346' (NGVD29)

1347' (NAVD88)



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, SOUTH ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET AND THE NATIONAL GEODETIC VERTICAL DATUM OF 1929.

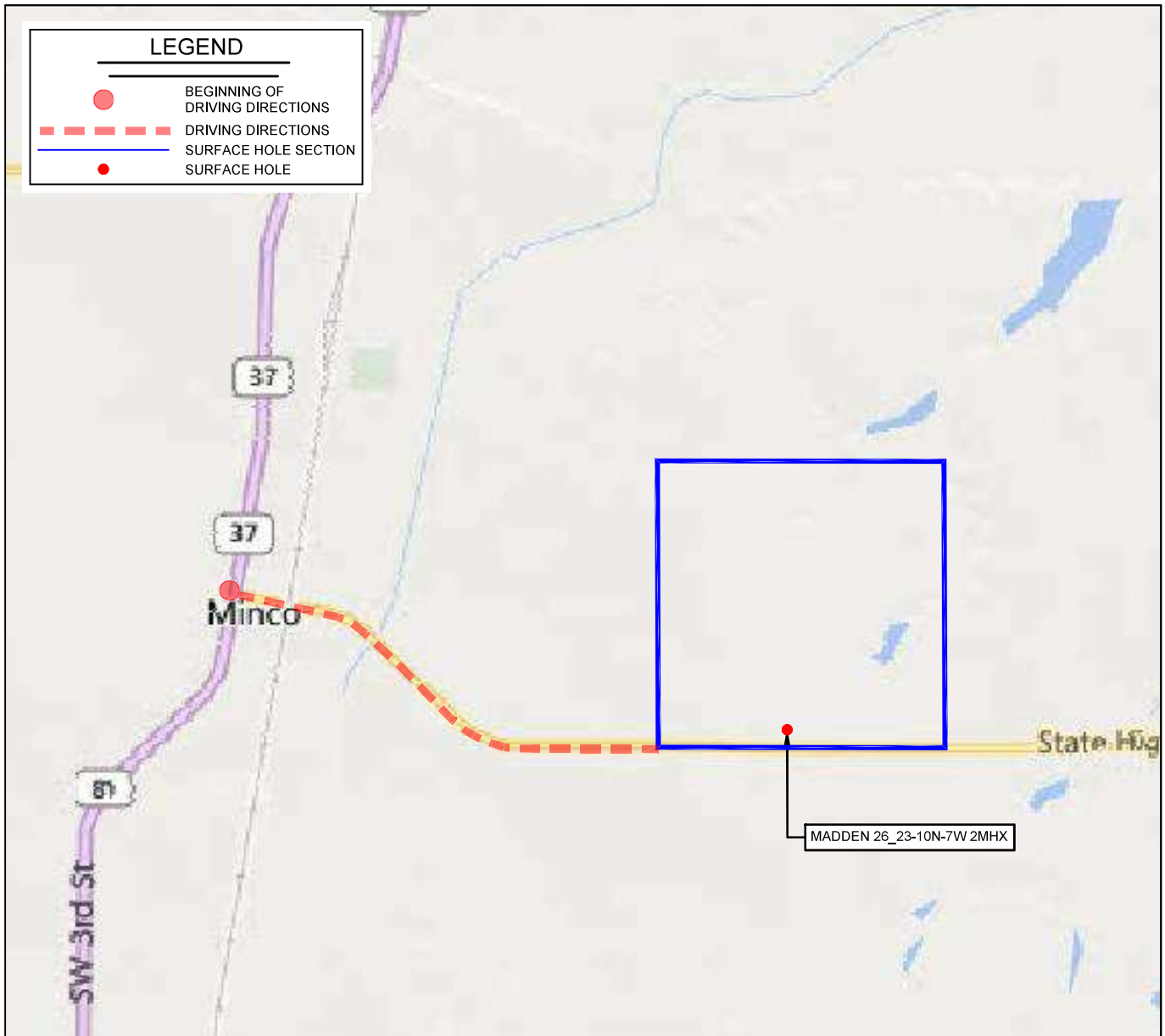
TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134

TELEPHONE: (405) 843-4847 OR (800) 654-3219
FAX: (405) 843-0975

CERTIFICATE OF AUTHORIZATION NO. 1292 LS
WWW.TOPOGRAPHIC.COM

VICINITY MAP



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COUNTY GRADY STATE OKLAHOMA

DESCRIPTION 327' FSL & 2398' FWL

DISTANCE & DIRECTION

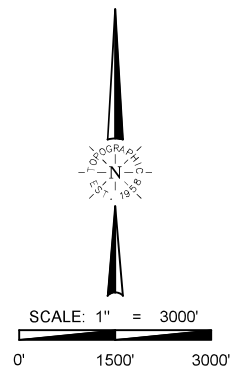
FROM THE INTERSECTION OF US-HWY 81 & STATE-HWY 37 GO

±1.7 MI. EAST TO THE SOUTHWEST CORNER OF SECTION

26-T10N-R7W.

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