

API NUMBER: 017 25875

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

Approval Date: 11/09/2022
Expiration Date: 05/09/2024

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 24 Township: 13N Range: 8W County: CANADIAN

SPOT LOCATION: ☐ SW ☐ NW ☐ NE ☐ NW
FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 565 1545

Lease Name: JABRONI 13_12-13N-8W Well No: 1MHX Well will be 565 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

JOHN LEE KASTL
3905 WEST 122ND STREET
EL RENO OK 73036

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9190

Spacing Orders: 723668

Location Exception Orders: 724036

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 19000 Ground Elevation: 1339

Surface Casing: 560

Depth to base of Treatable Water-Bearing FM: 310

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: 22-38646

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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: ALLUVIAL

Pit Location Formation: ALLUVIUM

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? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: ALLUVIAL

Pit Location Formation: ALLUVIUM

HORIZONTAL HOLE 1

Section: 12 Township: 13N Range: 8W Meridian: IM

Total Length: 7644

County: CANADIAN

Measured Total Depth: 19000

Spot Location of End Point: NE NE NW SW

True Vertical Depth: 10400

Feet From: SOUTH 1/4 Section Line: 2557

End Point Location from

Feet From: WEST 1/4 Section Line: 1270

Lease, Unit, or Property Line: 1270

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.

NOTES:	
Category	Description
HYDRAULIC FRACTURING	<p>[10/20/2022 - 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 FRACTURING OPERATIONS. FORM 6000NH shall BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; 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>
LOCATION EXCEPTION - 724036 (CD2022-000127)	<p>[11/9/2022 - GB7] - (I.O.) 12, 13-13N-8W X723668 MSSP X165:10-3-28(C)(2)(B) MSSP MAY BE CLOSER THAN 600' TO LANMAN 12-1(API# 017-21668), LANMAN 12-2 (API# 017-22622), CAROLL 1-12 (API# 017-24033), SCHIMMELS (API# 017-21639) COMPL. INT. (13-13N-8W) NCT 165' FSL, NCT 330' FWL COMPL. INT. (12-13N-8W) NCT 165' FNL, NCT 330' FWL PALOMA OPERATING COMPANY INC 03/08/2022</p>
MEMO	[10/20/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PUBLIC WATER SUPPLY	[10/20/2022 - GC2] - CHEYENNE-ARAPAHO ECONOMIC DEVELOPMENT OFFCIE - 1 WELL NW/4 24-13N-8W
SPACING - 723668	<p>[11/9/2022 - GB7] - (1280)(HOR) 12, 13-13N-8W EST MSSP, OTHER COMPL. INT. NCT 660' FB (COEXIST EXISTING NON-HORIZONTAL SPACING)</p>
SURFACE CASING	[10/20/2022 - GC2] - NO DEEP SURFACE CASING DUE TO BEING INSIDE A PUBLIC WATER SUPPLY BOUNDARY