

API NUMBER: 017 25807 A

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

Approval Date: 04/26/2022
Expiration Date: 10/26/2023

Multi Unit Oil & Gas

Amend reason: UPDATE BHL & TVD

AMEND PERMIT TO DRILL

WELL LOCATION: Section: 18 Township: 12N Range: 8W County: CANADIAN

SPOT LOCATION: SE NW SE SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 728 828

Lease Name: SAND BOULDER 19_30-12N-8W Well No: 2MHX Well will be 728 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

EUGENE M. LORENZEN REVOCABLE TRUST
1916 SOUTH HEASTON RD
EL RENO OK 73036

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

Name	Code	Depth
1 MISSISSIPPI	351MISS	10350

Spacing Orders: 144779 Location Exception Orders: 724073 Increased Density Orders: 724598
724070 724350

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 24000 Ground Elevation: 1439

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: 22-38265
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

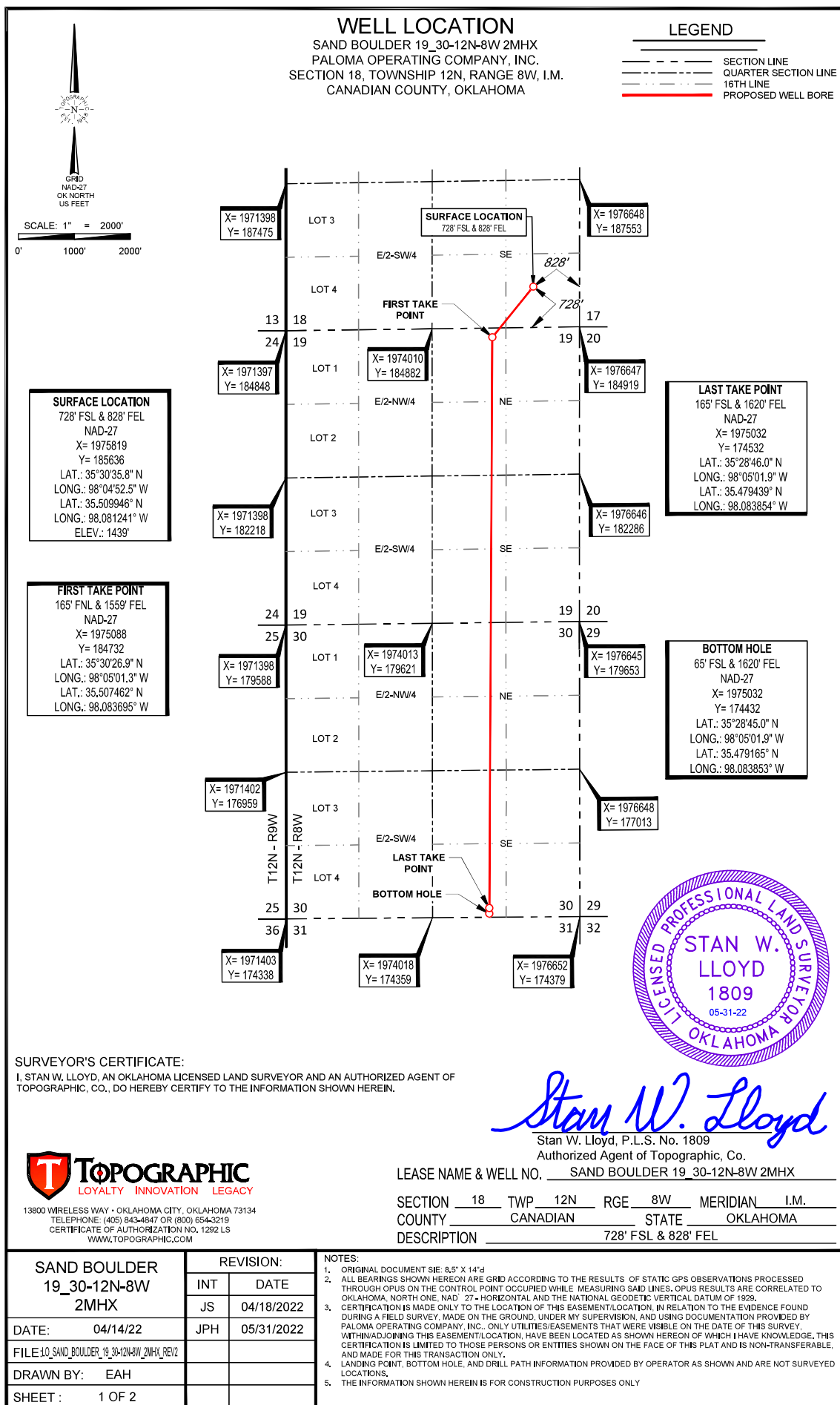
Section: 30	Township: 12N	Range: 8W	Meridian: IM	Total Length: 10200
County: CANADIAN				Measured Total Depth: 24000
Spot Location of End Point: SE	SE	SW	SE	True Vertical Depth: 11700
Feet From: SOUTH	1/4 Section Line: 65			End Point Location from
Feet From: EAST	1/4 Section Line: 1620			Lease, Unit, or Property Line: 65

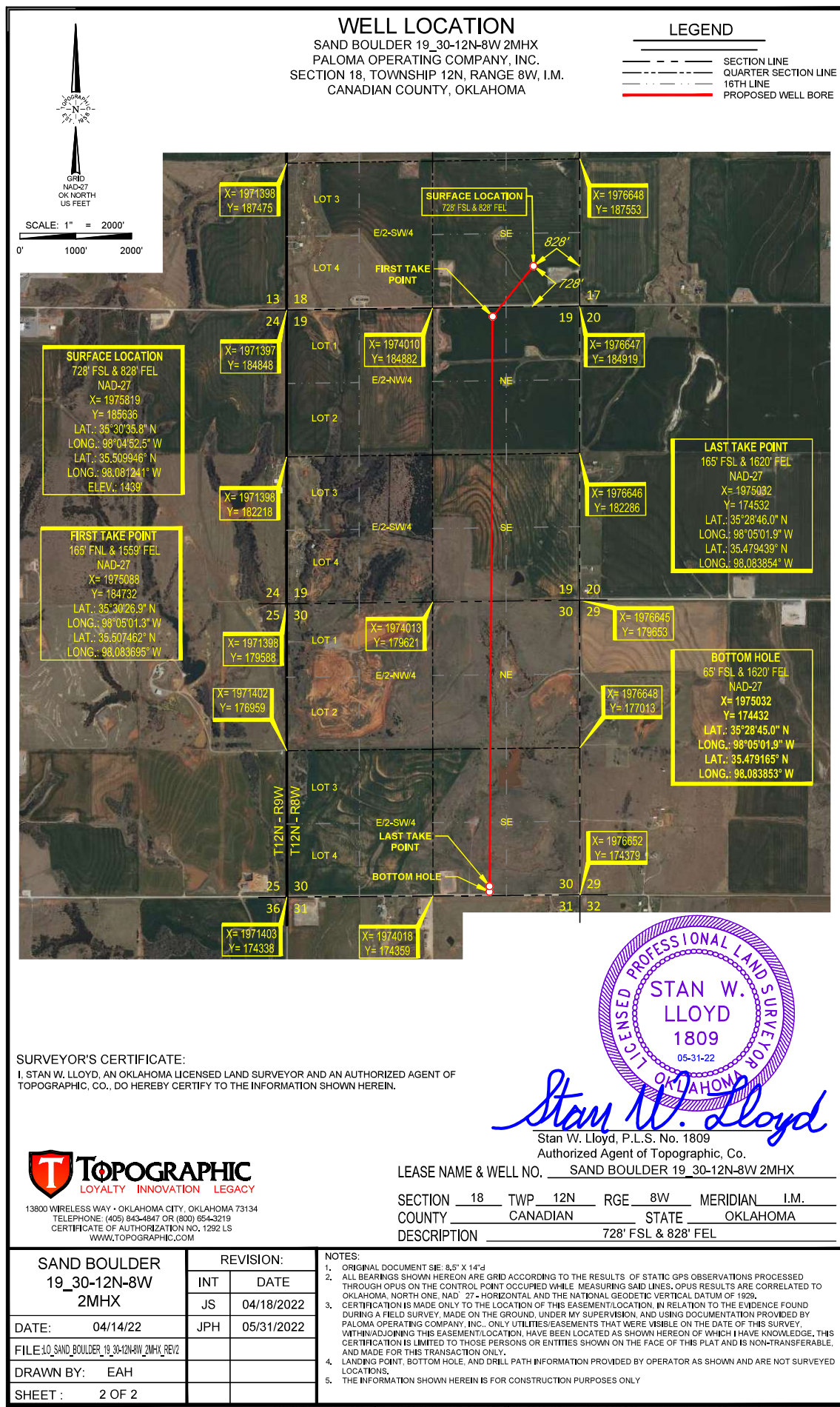
NOTES:

Category	Description
DEEP SURFACE CASING	[4/21/2022 - 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>[4/21/2022 - 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: OCCWEB.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 - 724350	<p>[4/26/2022 - G56] - 30-12N-8W X144779 MISS 1 WELL PALOMA OP CO, INC 3/21/2022</p>
INCREASED DENSITY - 724598	<p>[4/26/2022 - G56] - 19-12N-8W X144779 MISS 2 WELLS PALOMA OP CO, INC 3/31/2022</p>
LOCATION EXCEPTION - 724073	<p>[4/26/2022 - G56] - (I.O.) 19 & 30-12N-8W X144779 MISS X165:10-3-28(C)(2)(B) MISS (SAND BOULDER 2MHX) MAY BE CLOSER THAN 600' TO ANNIS 2-19 WELL COMPL INT (19-12N-8W) NCT 165' FNL, NCT 0' FSL, NCT 330' FEL COMPL INT (30-12N-8W) NCT 0' FNL, NCT 165' FSL, NCT 330' FEL PALOMA OPERATING CO, INC 3/9/2022</p>
MEMO	[4/21/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 144779	<p>[4/26/2022 - G56] - (640) 19 & 30-12N-8W EXT OTHERS EXT 139651 MISS, OTHERS</p>
SPACING - 724070	<p>[4/26/2022 - G56] - (I.O.) 19 & 30-12N-8W EST MULTIUNIT HORIZONTAL WELL X144779 MISS 50% 19-12N-8W 50% 30-12N-8W PALOMA OPERATING CO, INC 3/9/2022</p>

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017 25807 SAND BOULDER 19_30-12N-8W 2MHX





SECTION 18 TWP 12N RGE 8W MERIDIAN I.M.
COUNTY CANADIAN STATE OKLAHOMA
DESCRIPTION 728' FSL & 828' FEL
ELEVATION 1439' (NAVD29)

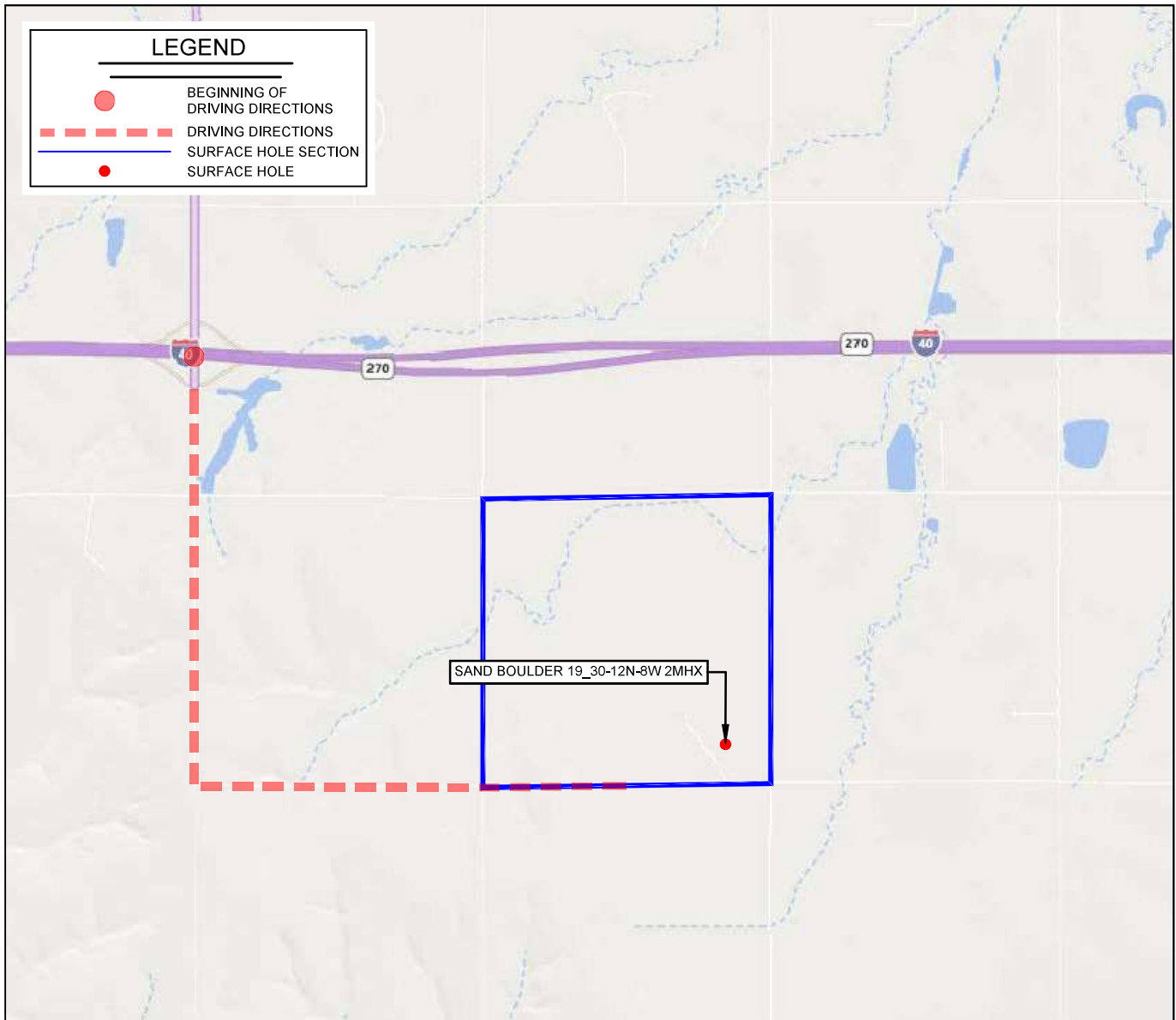


13800 WIRELESS WAY • OKLAHOMA CITY, OKLAHOMA 73134
TELEPHONE: (405) 843-4847 OR (800) 654-3219
CERTIFICATE OF AUTHORIZATION NO. 1292 LS
WWW.TOPOGRAPHIC.COM

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

VICINITY MAP



LEASE NAME & WELL NO. SAND BOULDER 19_30-12N-8W 2MHX

SECTION 18 TWP 12N RGE 8W MERIDIAN I.M.

COUNTY CANADIAN STATE OKLAHOMA

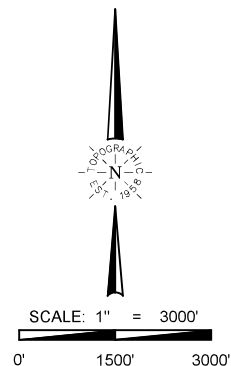
DESCRIPTION 728' FSL & 828' FEL

DISTANCE & DIRECTION

FROM THE JUNCTION OF I-40 & US-270 GO ±1.5 MI. SOUTH, THEN
±1.5 MI. EAST ON SMITH RD. W/SW 27TH ST. TO THE SOUTH
QUARTER CORNER OF SECTION 18-T12N-R8W.

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