

API NUMBER: 017 25864

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

Approval Date: 10/05/2022

Expiration Date: 04/05/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 35 Township: 12N Range: 8W County: CANADIAN

SPOT LOCATION: ☐ NW ☐ SE ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST
SECTION LINES: 370 1920

Lease Name: LONE WOLF 35_26-12N-8W Well No: 3MHX Well will be 370 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

CITY OF EL RENO, OKLAHOMA
101 N. CHOCTAW AVENUE
EL RENO OK 73036

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

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	9800

Spacing Orders: 592444
134266
728919

Location Exception Orders: No Exceptions

Increased Density Orders: 728755
728754

Pending CD Numbers: 202203243

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 21500

Ground Elevation: 1419

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 440

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: 22-38618

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: 7746		
County: CANADIAN				Measured Total Depth: 21500		
Spot Location of End Point: NE NE NW SE				True Vertical Depth: 12000		
Feet From: SOUTH		1/4 Section Line: 2639		End Point Location from		
Feet From: EAST		1/4 Section Line: 1620		Lease,Unit, or Property Line: 1620		

NOTES:

Category	Description
DEEP SURFACE CASING	[10/4/2022 - 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>[10/4/2022 - 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 - 728754	<p>[10/5/2022 - G56] - 26-12N-8W</p> <p>X592444 MSSP</p> <p>3 WELLS</p> <p>PALOMA OP CO, INC</p> <p>9/27/2022</p>
INCREASED DENSITY - 728755	<p>[10/5/2022 - G56] - 35-12N-8W</p> <p>X134266 MSSP</p> <p>3 WELLS</p> <p>PALOMA OP CO, INC</p> <p>9/27/2022</p>
MEMO	[10/4/2022 - GC2] - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
PENDING CD - 202203243	<p>[10/5/2022 - G56] - (I.O.) 26 & 35-12N-8W</p> <p>X592444 MSSP 26-12N-8W</p> <p>X134266 MSSP 35-12N-8W</p> <p>X165:10-3-28(C)(2)(B) MSSP (LONE WOLF 35_26-12N-8W 1MHX)</p> <p>MAY BE CLOSER THAN 600' TO MEYERS 35-1 WELL</p> <p>COMPL INT (26-12N-8W) NCT 0' FSL, NCT 165' FNL, NCT 330' FEL</p> <p>COMPL INT (35-12N-8W) NCT 165' FSL, NCT 0' FNL, NCT 330' FEL</p> <p>NO OP NAMED</p> <p>REC 9/6/2022 (MYLES)</p>
SPACING - 134266	<p>[10/5/2022 - G56] - (640) 35-12N-8W</p> <p>EXT 132430 CSTR, MSSP, OTHERS</p> <p>(VAC BY SP # 593513 CSTR)</p>
SPACING - 592444	<p>[10/5/2022 - G56] - (640) 26-12N-8W</p> <p>VAC 132430 CSTR, MISS</p> <p>EXT 134266 MSSP</p>
SPACING - 728919	<p>[10/5/2022 - G56] - (I.O.) 26 & 35-12N-8W</p> <p>EST MULTIUNIT HORIZONTAL WELL</p> <p>X592444 MSSP 26-12N-8W</p> <p>X134266 MSSP 35-12N-8W</p> <p>33% 26-12N-8W</p> <p>67% 35-12N-8W</p> <p>PALOMA OP CO, INC</p> <p>10/4/2022</p>

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.

017 25864 LONE WOLF 35_26-12N-8W 3MHX