

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

API NUMBER: 073 26226

Approval Date: 08/22/2018

Expiration Date: 08/22/2019

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 25 Twp: 15N Rge: 6W

County: KINGFISHER

SPOT LOCATION: ☐ NW ☐ NE ☐ NE ☐ NE

FEET FROM QUARTER: FROM NORTH FROM EAST

SECTION LINES: 235 605

Lease Name: SAND HILLS 25-15N-6W

Well No: 1MH

Well will be 235 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

ANDREW MEIWES
4320 MOFATT ROAD NW
PIEDMONT OK 73078

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	7288	6	
2	WOODFORD	7651	7	
3			8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201805189
201707438
201805193
201806142

Special Orders:

Total Depth: 12689

Ground Elevation: 1174

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 370

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

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: BISON

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-34765

G. Haul to recycling/re-use facility: Sec. 22 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

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: BISON

HORIZONTAL HOLE 1

Sec 25 Twp 15N Rge 6W County KINGFISHER

Spot Location of End Point: SW SE SE SE

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 360

Depth of Deviation: 6739

Radius of Turn: 573

Direction: 179

Total Length: 5049

Measured Total Depth: 12689

True Vertical Depth: 7783

End Point Location from Lease,
Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

7/6/2018 - G71 - 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

7/6/2018 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCEWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

MEMO

7/6/2018 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201707438

7/12/2018 - G57 - (640)(HOR) 25-15N-6W
EXT OTHER
EST MSSP
POE TO BHL NCT 660' FB
(COEXIST WITH SP. ORDER # 55880/62761 MSSLM)
REC 6-4-2018 (THOMAS)

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX 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.

073 26226 SAND HILLS 25-15N-6W 1MH

Category	Description
PENDING CD - 201805189	7/12/2018 - G57 - (I.O.) 25-15N-6W X201707438 MSSP COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FEL NO OP. NAMED REC 7-23-2018 (DENTON)
PENDING CD - 201805193	7/12/2018 - G57 - 25-15N-6W X201707438 MSSP 4 WELLS PALOMA PARTNERS IV, LLC. REC 7-23-2018 (DENTON)
PENDING CD - 201806142	8/21/2018 - G57 - (I.O.) 25-15N-6W X165:10-3-28(C)(2)(B) MSSP (SANDHILLS 25-15N-6W 1 MH) MAY BE NCT 370' FROM THE REHERMAN 1 PALOMA PARTNERS IV, LLC. REC 8-20-2018 (P. PORTER)

January 8, 2019

Oklahoma Corporation Commission
Oil and Gas Conservation Division - Permits
Attention: Sandy Delozier
2101 N. Lincoln Blvd.
Oklahoma City, OK 73105-4993

Re: Paloma Operating Company, Inc. (Operator # 23932)

Sand Hills 25-15N-6W 1MH and 2MH
25-15N-6W ✓

SHL: 1MH - 235 FNL, 605 FEL ✓ ; 2MH - 215 FNL, 605 FEL

API#: 1MH - 35-073-26226 ✓ ; 2MH - 35-073-26227

Kingfisher County

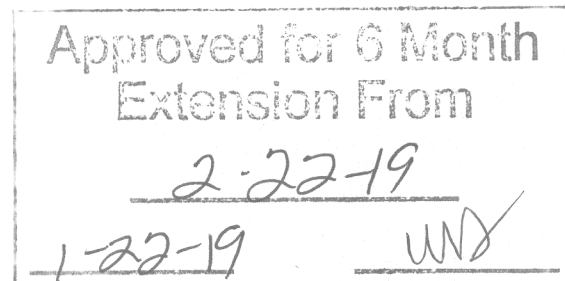
Paloma Operating Company respectfully requests a drilling permit extension for the Sand Hills 25-15N-6W 1MH and 2MH wells. For your convenience, I have included well plats and the current permits approved on August 22, 2018. The current drilling permits expire February 22, 2019. We anticipate spudding the wells in March 2019.

Please contact me if any further information is needed.

Sincerely,



Daniel Jones
Drilling Manager
Paloma Operating Company, Inc.
713-654-8535 office
713-299-0228 mobile



Permit 07326226
ex 2/22/19

Permit 07326227
ex. 2/22/19

Surety ex. 10/7/19
Operator # 23932



RECEIVED
JAN 10 2019
Oklahoma Corporation
Commission

Sn