

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

API NUMBER: 017 25567

Horizontal Hole Oil & Gas
Multi Unit

Approval Date: 12/03/2019
Expiration Date: 06/03/2021

PERMIT TO DRILL

WELL LOCATION: Sec: 22 Twp: 12N Rge: 8W County: CANADIAN

SPOT LOCATION: ☐ N2 ☐ SW ☐ SW ☐ SE FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 335 2310

Lease Name: CROOKED PINE 22_15-12N-8W

Well No: 3MHX

Well will be 335 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

PATRICIA HARTWIG
3305 WINDSOR BOULEVARD
OKLAHOMA CITY OK 73122

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

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPI | 10553 | 6 | |
| 2 MISSISSIPPIAN | 10670 | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 688916
143998
704466

Location Exception Order: 705400

Increased Density Orders: 704470

Pending CD Numbers: 201904575

Special Orders:

Total Depth: 20959

Ground Elevation: 1437

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 340

Deep surface casing has been approved

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: No

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 10' 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

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 19-37073

F. Haul to Commercial soil farming facility: Sec. 27 Twn. 17N Rng. 9W Cnty. 73 Order No: 659856

G. Haul to recycling/re-use facility: Sec. 23 Twn. 16N Rng. 9W Cnty. 73 Order No: 647741

H. SEE MEMO

Cancel Per Operator
request
SSM
2-21-2020

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.

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

HORIZONTAL HOLE 1

Sec 15 Twp 12N Rge 8W County CANADIAN

Spot Location of End Point: NE NE NE NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 2390

Depth of Deviation: 10192

Radius of Turn: 488

Direction: 355

Total Length: 10000

Measured Total Depth: 20959

True Vertical Depth: 10670

End Point Location from Lease,

Unit, or Property Line: 65

Notes:

Category

Description

DEEP SURFACE CASING

11/12/2019 - 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

11/12/2019 - 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: OCCWEB.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

INCREASED DENSITY - 704470 (201904574)

12/3/2019 - GC2 - 15-12N-8W
X143998 MISS
4 WELLS
PALOMA PARTNERS IV, LLC
10-30-2019

LOCATION EXCEPTION - 705400
(201904570)

12/3/2019 - GC2 - (I.O.) 15 & 22-12N-8W
X143998 MISS 15-12N-8W
X688916 MSSP 22-12N-8W
COMPL. INT. (22-12N-8W) NCT 165' FSL, NCT 0' FNL, NCT 650' FWL
COMPL. INT. (15-12N-8W) NCT 0' FSL, NCT 165' FNL, NCT 650' FWL
PALOMA PARTNERS IV, LLC
11-20-2019

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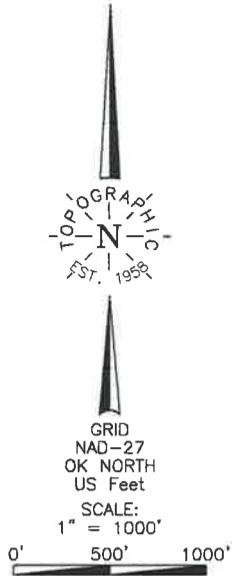
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

017 25567 CROOKED PINE 22_15-12N-8W
3MHX

| | |
|------------------------------|---|
| MEMO | 11/12/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT |
| PENDING CD - 201904575 | 12/3/2019 - GC2 - 22-12N-8W X688916 MSSP 4 WELLS NO OP, NAMED REC. 10-1-2019 (MOORE) |
| SPACING - 143998 | 12/3/2019 - GC2 - (640) 15-12N-8W EXT 122864/137298 MISS EXT OTHER |
| SPACING - 688916 | 12/3/2019 - GC2 - (640)(HOR) 22-12N-8W EST MSSP, OTHER COMPL. INT. (MSSP) NCT 660' FB |
| SPACING - 704466 (201904566) | 12/3/2019 - GC2 - (I.O.) 15 & 22-12N-8W EST MULTIUNIT HORIZONTAL WELL X143998 MISS 15-12N-8W X688916 MSSP 22-12N-8W 50% 15-12N-8W 50% 22-12N-8W PALOMA PARTNERS IV, LLC 10-30-2019 |

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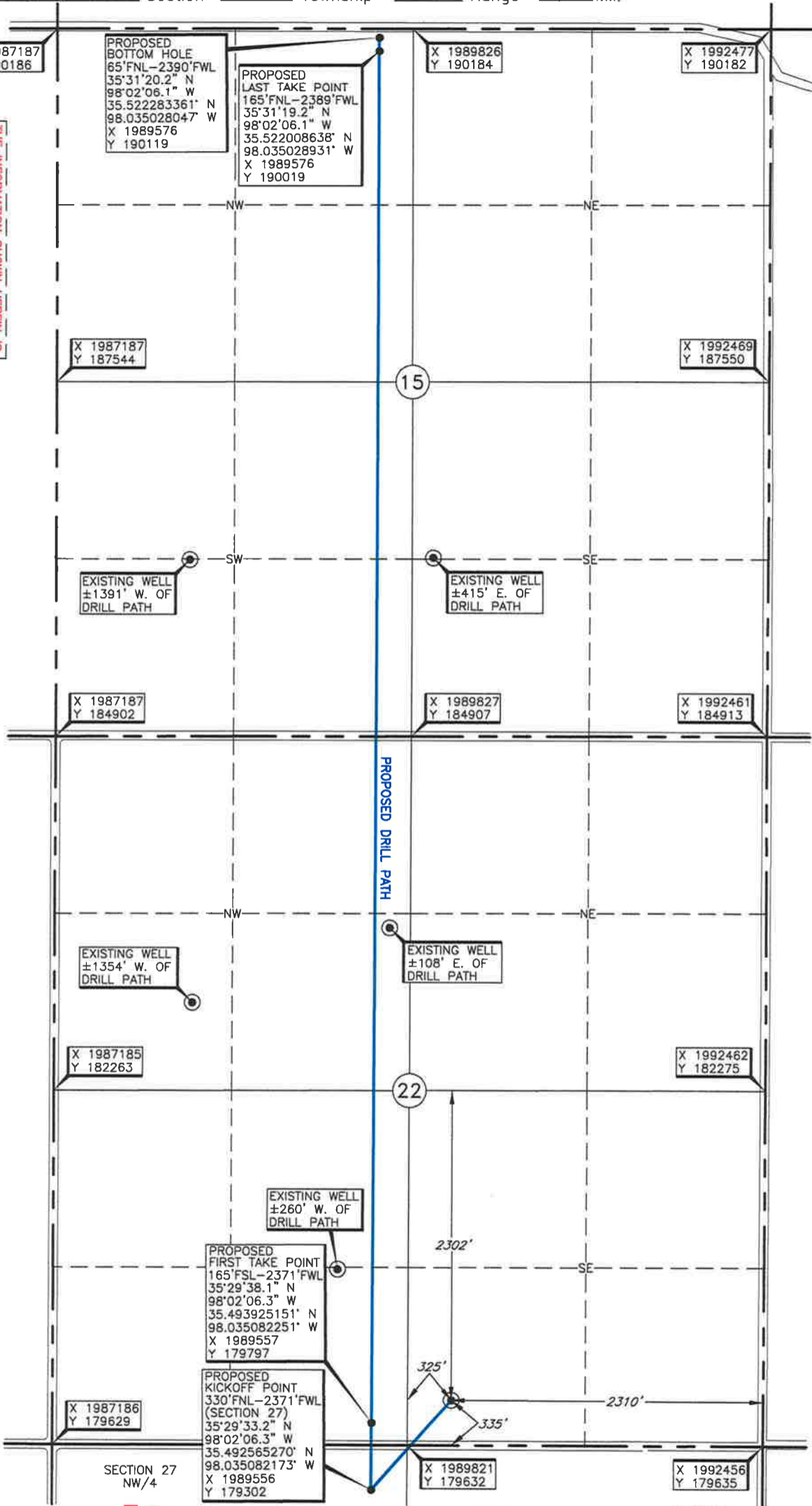
335'FSL-2310'FEL Section 22 Township 12N Range 8W I.M.



KICKOFF POINT, FIRST TAKE POINT, LAST TAKE POINT,
BOTTOM HOLE, AND DRILL PATH INFORMATION
PROVIDED BY OPERATOR LISTED, NOT SURVEYED.

THE INFORMATION SHOWN HEREIN IS
FOR CONSULTATION PURPOSES ONLY

Operator: PALOMA OPERATING COMPANY, INC.
Lease Name: CROOKED PINE 22-15-12N-8W
Topography & Vegetation Location fell on existing pad
Good Drill Site? Yes
Best Accessibility to Location From South off county road.
Distance & Direction From the junction of US Hwy 270/-40 and US Hwy 81 go ±0.5 miles South on US Hwy 81, Then ±5.0 miles West to the SE Corner of Section 22, T12N-R8W.
Reference Stakes or Alternate Location Stakes Set None
Well No.: 3MHX
ELEVATION: 1437' Gr. on Existing Pad

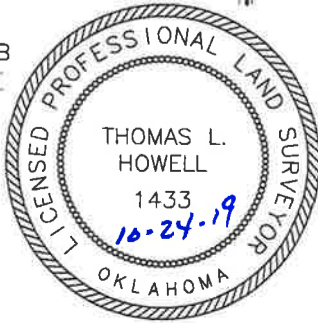


Revision ☒ 2 Date of Drawing: Oct. 22, 2019
Project # 128279 Date Staked: Oct. 21, 2019

CERTIFICATE:

I, Thomas L. Howell an Oklahoma Licensed Land Surveyor and an authorized agent of Topographic Land Surveyors of Oklahoma, do hereby certify to the information shown herein.

Thomas L. Howell
Oklahoma Lic. No. 1433



DATUM: NAD-27
LAT: 35°29'39.8" N
LONG: 98°01'59.2" W
LAT: 35.494394456° N
LONG: 98.033098849° W
STATE PLANE COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1990147
Y: 179967

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

13800 Wireless Way, Okla. City, OK. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
Certificate of Authorization No. 1293 LS

CANADIAN

County, Oklahoma

335'FSL-2310'FEL Section 22 Township 12N Range 8W I.M.



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Well No.: 3MHX

ELEVATION:
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Stakes Set None

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Project # 128279

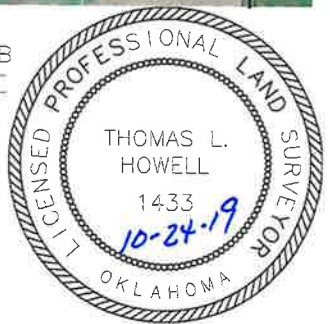
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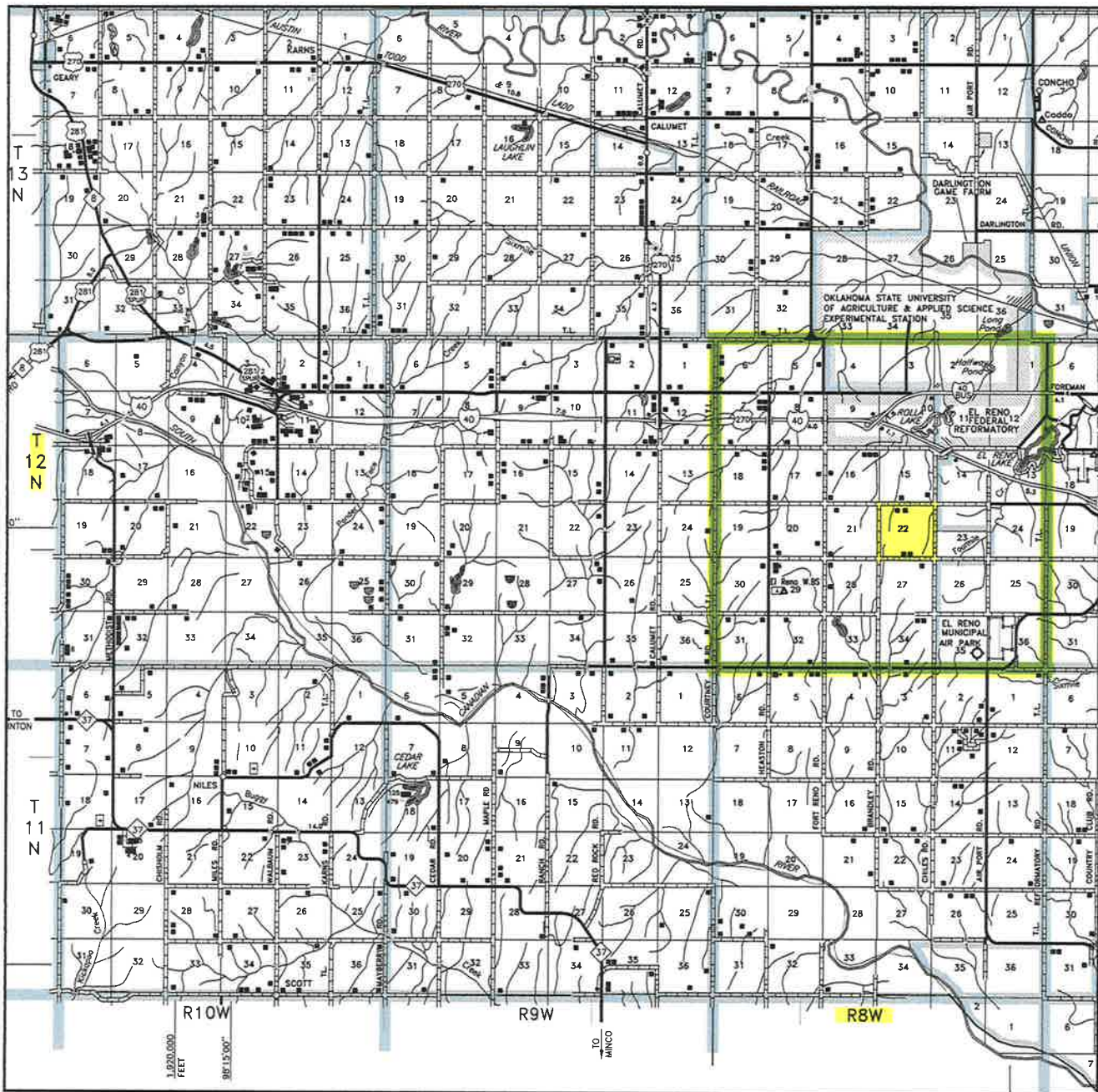
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STATE PLANE
COORDINATES: (US Feet)
ZONE: OK NORTH
X: 1990147
Y: 179967

was gathered with a GPS receiver (with foot print accuracy information in this)

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

Surveying and Mapping for the Energy Industry
13800 Wireless Way, Oklahoma City, OK 73134 www.topographic.com
Telephone Numbers: Local (405) 843-4847 Toll Free (800) 654-3219

VICINITY MAP



Scale: 1" = 3 Miles

Sec. 22 Twp. 12N Rng. 8W I.M.

County CANADIAN State OK

Operator PALOMA OPERATING COMPANY, INC.



LAND SURVEYORS OF OKLAHOMA

LOCATION & ELEVATION VERIFICATION MAP



Oct. 21, 2019

Shana Swirin-Miles

From: Daniel Jones <DJones@palomaresources.com>
Sent: Friday, February 21, 2020 9:17 AM
To: Shana Swirin-Miles
Subject: [External] Re: Crooked Pine Intents

We changed our plans to develop sections 22 and 15. Paloma is no longer planning to drill the Crooked Pine 22_15-12N-8W 3MHX well. I believe the updated pad plats I sent only show the 4 and 6 MXH wells. You may cancel the 3MHX permit.

Daniel Jones

Drilling Manager

Paloma Operating Company, Inc. / Travis Peak Resources, LLC

1100 Louisiana Street, Suite 5100

Houston, Texas 77002

713-650-8500 main

713-654-8535 direct

713-299-0228 cell

On Feb 21, 2020, at 8:46 AM, Shana Swirin-Miles <Shana.Swirin-Miles@occ.ok.gov> wrote:

Good Morning Daniel,

I called yesterday and left you a message that there is an issue with the potential location of the 4MHX well. If you could please give me a call today we can get it sorted out and hopefully get these intents out to you today.

Thank you,

Shana Swirin-Miles
Oil and Gas Specialist/Geologist
Oklahoma Corporation Commission
Post Office Box 52000
Oklahoma City, Oklahoma 73152
(405) 522-2758 (o)
Shana.swirin-miles@occ.ok.gov

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