

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

API NUMBER: 011 23789

Approval Date: 04/27/2017  
Expiration Date: 10/27/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 34 Twp: 15N Rge: 11W County: BLAINE  
SPOT LOCATION:  SW  SE  SW  SW FEET FROM QUARTER: FROM SOUTH FROM WEST  
SECTION LINES: 265 760

Lease Name: PORKCHOP 34-15N-11W Well No: 2H Well will be 265 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

LOU ANNA DUNN, TRUSTEE  
6612 COVE HOLLOW ROAD  
OKLAHOMA CITY OK 73132

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

| Name | Depth       | Name  | Depth |
|------|-------------|-------|-------|
| 1    | MISSISSIPPI | 11816 | 6     |
| 2    |             |       | 7     |
| 3    |             |       | 8     |
| 4    |             |       | 9     |
| 5    |             |       | 10    |

Spacing Orders: 585012 Location Exception Orders: 661410 Increased Density Orders: 661494

Pending CD Numbers:

Special Orders:

Total Depth: 16905 Ground Elevation: 1445 **Surface Casing: 1500** Depth to base of Treatable Water-Bearing FM: 80

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: 8000 Average: 5000

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 located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is ALLUVIAL

Pit Location Formation: ALLUVIUM

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 17-32077

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 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

Sec 34 Twp 15N Rge 11W County BLAINE

Spot Location of End Point: NE NE NW NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 1060

Depth of Deviation: 11482

Radius of Turn: 477

Direction: 5

Total Length: 4674

Measured Total Depth: 16905

True Vertical Depth: 12300

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

Notes:

Category

Description

DEEP SURFACE CASING

2/17/2017 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY FOR ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

2/17/2017 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE

INCREASED DENSITY - 661494

4/25/2017 - G75 - 34-15N-11W  
X585012 MISS  
1 WELL  
PALOMA PARTNERS IV, LLC \*\*  
2-28-2017

\*\* S/B PALOMA OP. CO., INC.; NUNC PRO TUNC HAS BEEN PREPARED BY ATTORNEY FOR OPERATOR AND A COPY REVIEWED BY OCC

INTERMEDIATE CASING

2/17/2017 - G71 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVER-PRESSURED ZONE IN THE MORROW SERIES IN THIS AREA, THE TECHNICAL MANAGER RECOMMENDS SETTING AN INTERMEDIATE STRING OF CASING IMMEDIATELY ABOVE THE MORROW SERIES

LOCATION EXCEPTION - 661410

4/25/2017 - G75 - (I.O.) 34-15N-11W  
X585012 MISS, OTHER  
COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 500' FWL  
PALOMA OP. CO., INC.  
2-27-2017

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.

011 23789 PORKCHOP 34-15N-11W 2H

| Category         | Description  |
|------------------|--|
| MEMO             | 2/17/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH CANADIAN RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT |
| SPACING - 585012 | 2/17/2017 - G75 - (640) 34-15N-11W<br>EXT 578803 MISS, OTHERS  |

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.

**TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA**

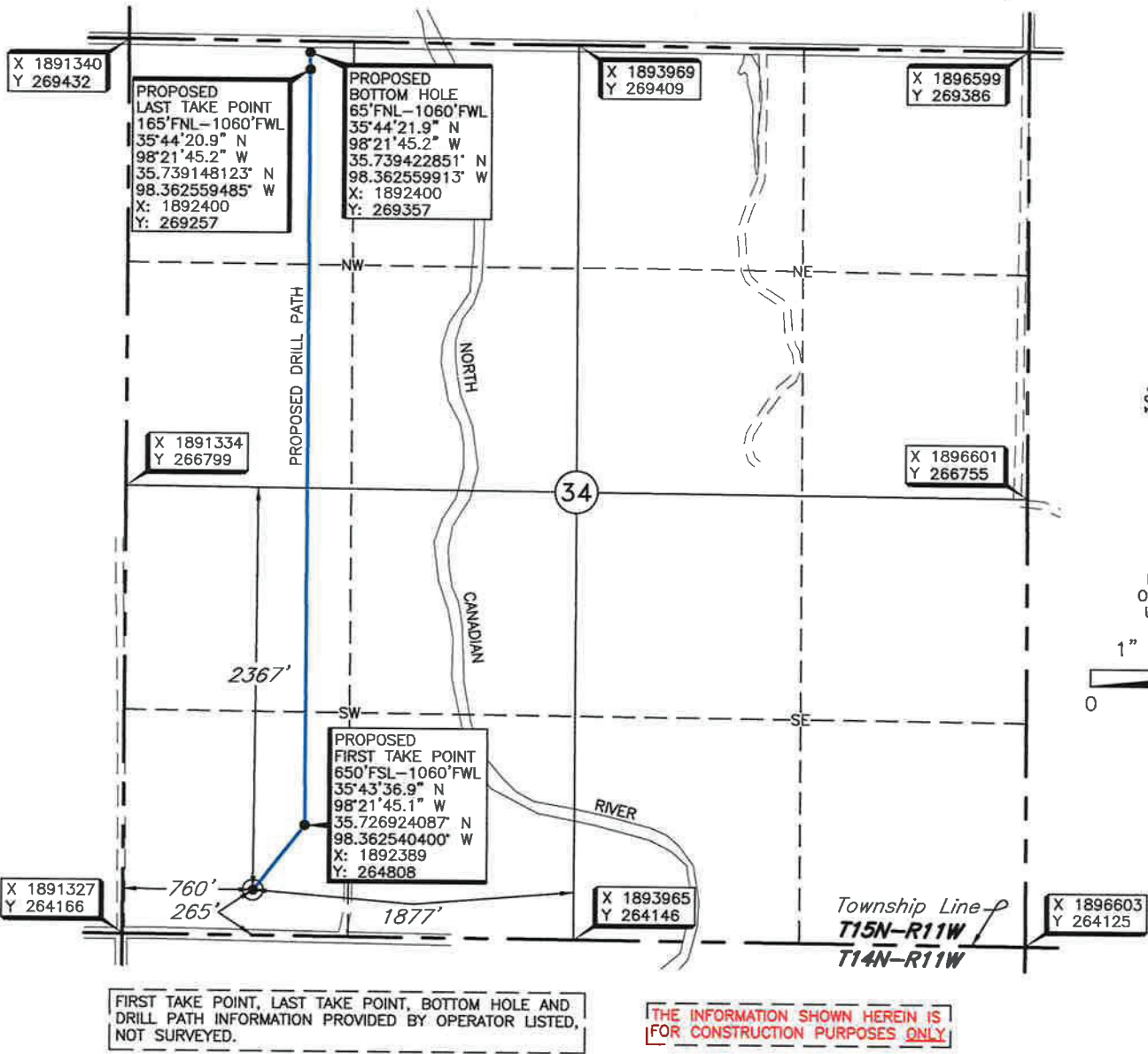
6709 NORTH CLASSEN BLVD., OKLA. CITY, OKLA. 73116 \* LOCAL (405) 843-4847 \* OUT OF STATE (800) 654-3219  
 Certificate of Authorization No. 1293 LS

BLAINE

County, Oklahoma

API 011-23789

265'FSL-760'FWL Section 34 Township 15N Range 11W I.M.



Operator: PALOMA OPERATING COMPANY, INC.

Lease Name: PORKCHOP 34-15N-11W

Well No.: 2H

**ELEVATION:**

1445' Gr. at Stake

Topography & Vegetation Loc. fell in alfalfa field

Good Drill Site? Yes Reference Stakes or Alternate Location  
 Stakes Set None

Best Accessibility to Location From West off county road

Distance & Direction  
 from Hwy Jct or Town From Greenfield, Oklahoma, go ± 0.6 mile East on County Road to the Southwest Corner of Section 34, T15N-R11W.

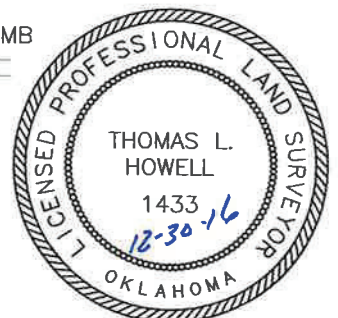
DATUM: NAD-27  
 LAT: 35°43'33.1" N  
 LONG: 98°21'48.8" W  
 LAT: 35.725869757° N  
 LONG: 98.363549678° W  
 STATE PLANE  
 COORDINATES (US FEET):  
 ZONE: OK NORTH  
 X: 1892088  
 Y: 264425

Date of Drawing: Dec. 29, 2016  
 Invoice # 269256A Date Staked: Dec. 29, 2016 NMB

**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 Reg. No. 1433



This information was gathered with a GPS receiver with ±1 foot Horiz./Vert. accuracy