

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

API NUMBER: 011 23781 B

Approval Date: 04/14/2017
Expiration Date: 10/14/2017

Horizontal Hole Oil & Gas

Amend reason: PERMIT FOR LATERAL AFTER STRAT TEST

AMEND PERMIT TO DRILL

WELL LOCATION: Sec: 09 Twp: 15N Rge: 13W

County: BLAINE

SPOT LOCATION: SW SE SW SE

FEET FROM QUARTER: FROM SOUTH FROM EAST

SECTION LINES: 275 1785

Lease Name: BIG JOE 9-15N-13W

Well No: 1H

Well will be 275 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

JOYCE TOMLINSON, TRUSTEE
8133 NW 80TH ST
OKLAHOMA CITY OK 73132

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

	Name	Depth	Name	Depth
1	MISSISSIPPIAN	11993	6	
2	WOODFORD	13300	7	
3			8	
4			9	
5			10	

Spacing Orders: 659015
661308

Location Exception Orders: 661064

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 17303

Ground Elevation: 1723

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 220

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: 8000 Average: 1000

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

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

PERMIT NO: 17-32135

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: 90000 Average: 40000

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 AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 09 Twp 15N Rge 13W County BLAINE

Spot Location of End Point: NE NE NW NE

Feet From: NORTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 1510

Depth of Deviation: 11545

Radius of Turn: 699

Direction: 2

Total Length: 4660

Measured Total Depth: 17303

True Vertical Depth: 13300

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

Notes:

Category

Description

DEEP SURFACE CASING

4/28/2017 - G60 - 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

4/28/2017 - G60 - 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

INTERMEDIATE CASING

4/28/2017 - G60 - DUE TO THE KNOWN POTENTIAL RISK OF ENCOUNTERING AN OVERPRESSURED 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 - 661064

6/14/2017 - G60 - (I.O.) 9-15N-13W
X659015 MSSP, WDFD
POE TO BHL NCT 165' FSL, NCT 165' FNL, NCT 330' FEL
PALOMA OPERATING CO. INC.
2/15/17

MEMO

4/28/2017 - G60 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

SPACING - 659015

6/14/2017 - G60 - (640) 9-15N-13W
EXT 654488 MSSP, WDFD, OTHERS
EST OTHERS

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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.

Category

Description

SPACING - 661308

6/14/2017 - G60 - NPT 659015 LEGAL DESCRIPTION

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