

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

API NUMBER: 011 23742 B

Approval Date: 02/10/2017  
Expiration Date: 08/10/2017

Horizontal Hole Oil & Gas

Amend reason: OCC CORRECTION FOR SURFACE LOCATION

AMEND 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: 265 740

Lease Name: PORKCHOP 34-15N-11W Well No: 1H 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	11085	6	
2	WOODFORD	12322	7	
3			8	
4			9	
5			10	

Spacing Orders: 585012

Location Exception Orders: 660304

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 16909

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: 17-32070

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 NW NW NW

Feet From: NORTH 1/4 Section Line: 65

Feet From: WEST 1/4 Section Line: 400

Depth of Deviation: 11050

Radius of Turn: 750

Direction: 355

Total Length: 4681

Measured Total Depth: 16909

True Vertical Depth: 12322

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

Notes:

Category

Description

DEEP SURFACE CASING

1/26/2017 - 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

4/25/2017 - 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

INTERMEDIATE CASING

1/26/2017 - 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 - 660304

2/21/2017 - G75 - (I.O.) 34-15N-11W  
X585012 MISS, WDFD  
COMPL. INT. NCT 165' FSL, NCT 165' FNL, NCT 330' FWL  
PALOMA OP. CO., INC.  
1-27-2017

MEMO

1/26/2017 - G71 - PIT 1 & 2 - CLOSED SYSTEM=STEEL PITS (REQUIRED - NORTH CANADIAN RIVER); PIT 2 - OBM TO VENDOR, OBM CUTTINGS PER DISTRICT

SPACING - 585012

2/21/2017 - G75 - (640) 34-15N-11W  
EXT 578803 MISS, WDFD, OTHER

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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.