

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 A

Approval Date: 08/22/2018
Expiration Date: 02/22/2020

Horizontal Hole Oil & Gas

Amend reason: CHANGE BOTTOM-HOLE LOCATION; UPDATE ORDERS; DELETE FORMATION

AMEND 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		7	
3		8	
4		9	
5		10	

Spacing Orders: 681164

Location Exception Orders: 683684

Increased Density Orders:

Pending CD Numbers: 201900680

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

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

Approved Method for disposal of Drilling Fluids:

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: SE SW SE SE

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 900

Depth of Deviation: 6739

Radius of Turn: 573

Direction: 185

Total Length: 5050

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

LOCATION EXCEPTION - 683684

2/5/2019 - G75 - (I.O.) 25-15N-6W
X681164 MSSP
COMPL. INT. NCT 165' FNL, NCT 165' FSL, NCT 330' FEL
PALOMA OP. CO., INC.
9-25-2018

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

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

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

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.

Category	Description
PENDING CD - 201900680	2/5/2019 - G75 - (E.O.) 25-15N-6W X165:10-3-28(C)(2)(B) MSSP (SAND HILLS 25-15N-6W 1 MH) COMPL. INT NCT 150' TO GREENFIELD 25-2, NCT 375' TO REHERMAN 1 NO OP. NAMED REC 2-1-2019 (DUNN)
SPACING - 681164	2/5/2019 - G75 - (640) 25-15N-6W EXT (VER) OTHER EST (HOR) MSSP POE TO BHL NCT 660' FB (COEXIST SP. ORDER # 55880/62761 MSSLM)

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

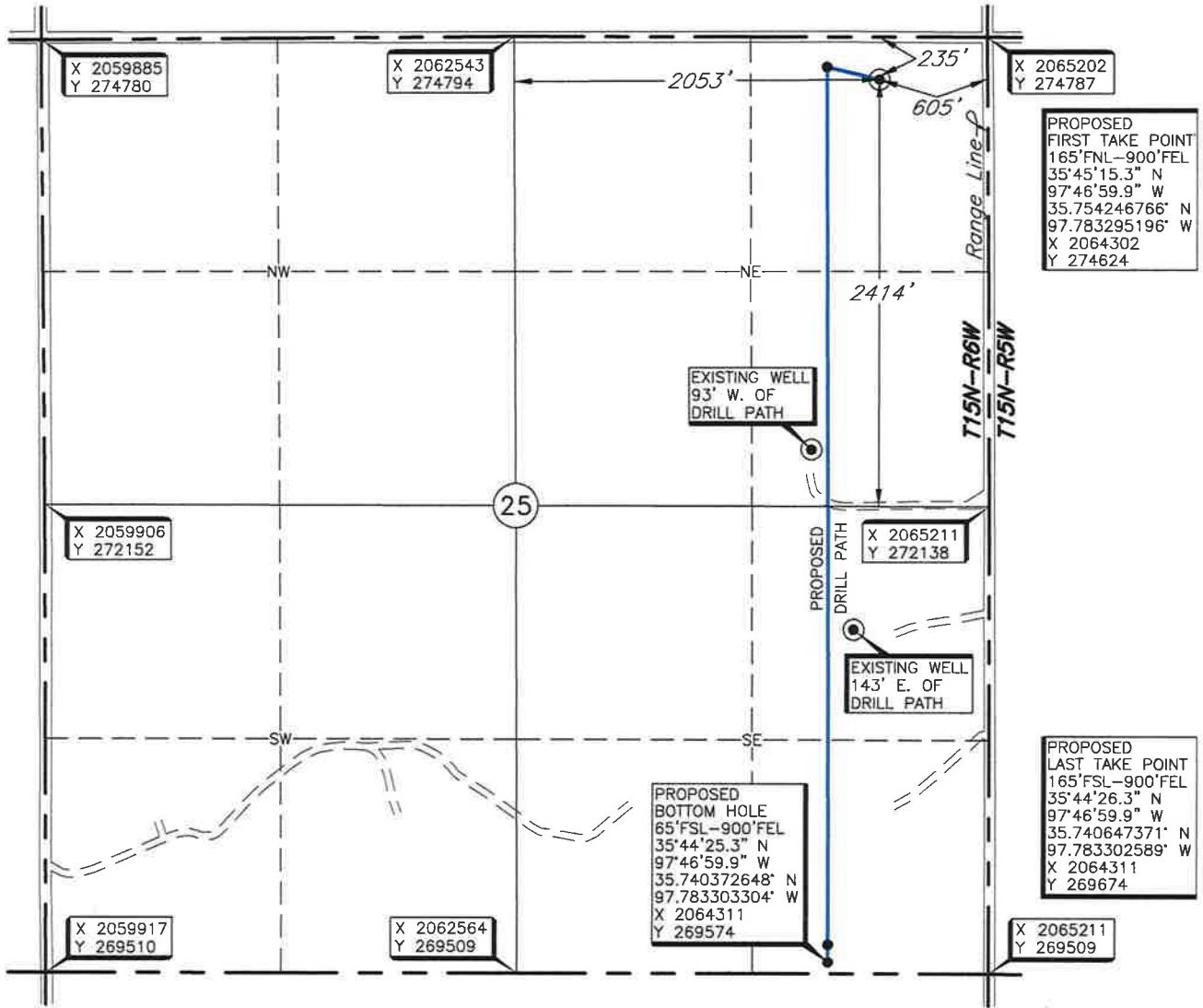
13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

KINGFISHER

County, Oklahoma

API 073-26226 A

235'FNL-605'FEL Section 25 Township 15N Range 6W I.M.



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

THE INFORMATION SHOWN HEREIN IS FOR CONSTRUCTION PURPOSES ONLY

Operator: PALOMA OPERATING COMPANY, INC.

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

Well No.: 1MH

ELEVATION:
1174' Gr. at Stake

Topography & Vegetation Location fell in rolling pasture

Good Drill Site? Yes

Reference Stakes or Alternate Location
 Stakes Set None

Best Accessibility to Location From North off county road

Distance & Direction

from Hwy Jct or Town From the junction of St. Hwy 33 & US Hwy 81 in Kingfisher, Oklahoma, go ± 7.5 miles East on St. Hwy 33, then ± 7 miles South, then ± 1 mile East to the Northeast Corner of Section 25, T15N-R6W.

Date of Drawing: Jan. 10, 2019

Invoice # 311181 Date Staked: May 10, 2018 NB

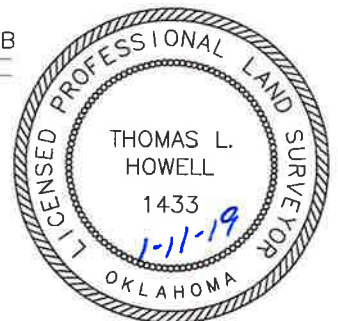
DATUM: NAD-27
 LAT: 35°45'14.6" N
 LONG: 97°46'56.3" W
 LAT: 35.754050303' N
 LONG: 97.782301005' W

STATE PLANE
 COORDINATES (US FEET):
 ZONE: OK NORTH
 X: 2064598
 Y: 274553

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