

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

API NUMBER: 017 25564

Approval Date: 11/27/2019
Expiration Date: 05/27/2021

Horizontal Hole Oil & Gas
Multi Unit

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 12N Rge: 8W County: CANADIAN
SPOT LOCATION: NE NE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST
SECTION LINES: 280 1494

Lease Name: FATBOY 29_32-12N-8W Well No: 3MHX Well will be 280 feet from nearest unit or lease boundary.

Operator PALOMA OPERATING CO INC Telephone: 7136508509 OTC/OCC Number: 23932 0
Name:

PALOMA OPERATING CO INC
1100 LOUISIANA ST STE 5100
HOUSTON, TX 77002-5220

CLINT REUTER
10402 RENO RD WEST
EL RENO OK 73036

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

Name	Depth	Name	Depth
1 MISSISSIPPIAN	10280	6	
2 MISSISSIPPI	10981	7	
3		8	
4		9	
5		10	

Spacing Orders: 621360
139651

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201905232
201905226
201905227
201905231

Special Orders:

Total Depth: 21384 Ground Elevation: 1437

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 360

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 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

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 19-37070

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. 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 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 32 Twp 12N Rge 8W County CANADIAN

Spot Location of End Point: SE SE SW SE

Feet From: SOUTH 1/4 Section Line: 65

Feet From: EAST 1/4 Section Line: 1400

Depth of Deviation: 10617

Radius of Turn: 488

Direction: 178

Total Length: 10000

Measured Total Depth: 21384

True Vertical Depth: 11095

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: 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

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 - 201905226

11/27/2019 - GC2 - 29-12N-8W
X621360 MSSP
3 WELLS
NO OP. NAMED
REC. 11-12-2019 (PRESLAR)

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.

PENDING CD - 201905227	11/27/2019 - GC2 - 32-12N-8W X139651 MISS 2 WELLS NO OP. NAMED REC. 11-12-2019 (PRESLAR)
PENDING CD - 201905231	11/27/2019 - GC2 - (I.O.) 29 & 32-12N-8W EST MULTIUNIT HORIZONTAL WELL X621360 MSSP 29-12N-8W X139651 MISS 32-12N-8W 50% 29-12N-8W 50% 32-12N-8W PALOMA PARTNERS IV, LLC REC. 11-12-2019 (PRESLAR)
PENDING CD - 201905232	11/27/2019 - GC2 - (I.O.) 32 & 29-12N-8W X139651 MISS 32-12N-8W X621360 MSSP 29-12N-8W COMPL. INT. (29-12N-8W) NCT 165' FNL, NCT 0' FSL, NCT 990' FEL COMPL. INT. (32-12N-8W) NCT 0' FNL, NCT 165' FSL, NCT 990' FEL PALOMA PARTNERS IV, LLC REC. 11-12-2019 (PRESLAR)
SPACING - 139651	11/27/2019 - GC2 - (640) 32-12N-8W EXT 131699 MISS, OTHERS
SPACING - 621360	11/27/2019 - GC2 - (640) 29-12N-8W VAC 131699 VAC 139651*** EST MSSP, OTHERS COMPL. INT. NCT 660' FB

***ORDER 139651 SHOULD NOT BE VAC; NUNC PRO TUNC WILL BE FILED BY ATTORNEY FOR OPERATOR; OKAY PER MCCOY

TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

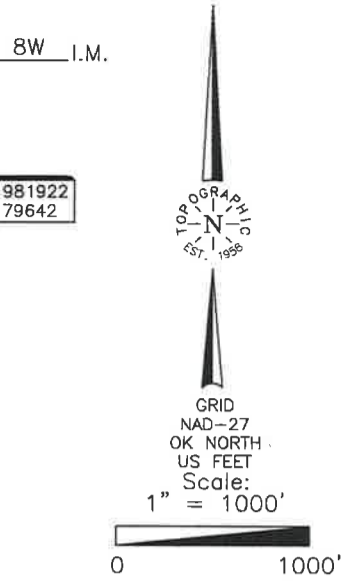
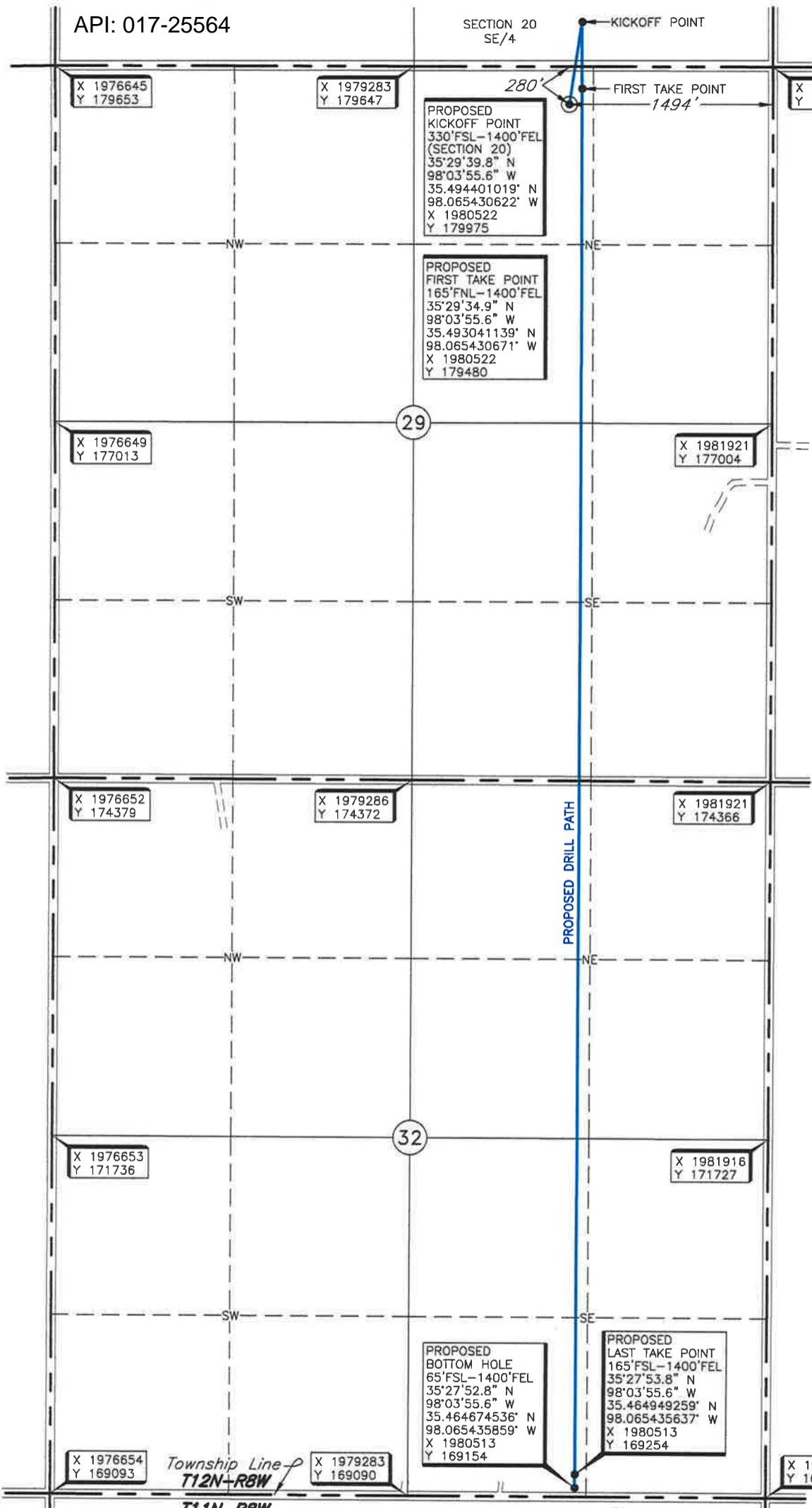
13800 WIRELESS WAY, OKLA. CITY, OKLA. 73134 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
 Certificate of Authorization No. 1293 LS

CANADIAN

County, Oklahoma

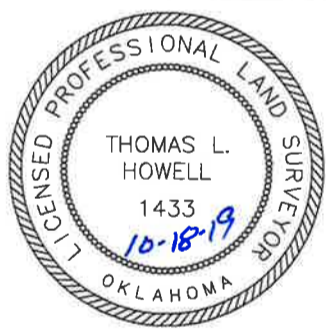
280'FNL-1494'FEL Section 29 Township 12N Range 8W I.M.

API: 017-25564



- NOTES:**
- This information was gathered with a GPS receiver with a ±1 foot Horiz./Vert. accuracy.
 - The information shown herein is for construction purposes ONLY.
 - Section 29 is not within a flood zone.
 - All bearings shown are Grid, NAD-27, Oklahoma North.
 - Kickoff Point, First Take Point, Last Take Point, Bottom Hole and Drill Path information provided by client listed, not surveyed.

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



SURFACE LOCATION
 DATUM: NAD-27
 LAT: 35°29'33.8" N
 LONG: 98°03'56.7" W
 LAT: 35.492725550° N
 LONG: 98.065746855° W
 STATE PLANE COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1980427
 Y: 179365
 DATUM: NAD-83
 LAT: 35°29'34.0" N
 LONG: 98°03'57.9" W

Revision 1 Date of Drawing: October 16, 2019
 Project # 130245 Date Staked: October 15, 2019 NB

Operator: PALOMA OPERATING COMPANY, INC.
 Lease Name: FATBOY 29-32-12N-8W
 Topography & Vegetation Location fell in hay field.

Well No.: 3MHX

ELEVATION:
1437' Gr. at Stake (NAVD 88)
1437' Gr. at Stake (NGVD 29)

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 I-40/US Hwy 270 & Heaston Road, go ±2.5 miles South on Heaston Road, then ±0.5 mile East to the North Quarter Corner of Section 29, T12N-R8W.

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

CANADIAN

County, Oklahoma

280°FNL-1494°FEL Section 29 Township 12N Range 8W I.M.



GRID
 NAD-27
 OK NORTH
 US FEET
 Scale:
 1" = 1000'

0 1000'

NOTES:

- This information was gathered with a GPS receiver with a ±1 foot Horiz./Vert. accuracy.
- The information shown herein is for construction purposes ONLY.
- Section 29 is not within a flood zone.
- All bearings shown are Grid, NAD-27, Oklahoma North.
- Kickoff Point, First Take Point, Last Take Point, Bottom Hole and Drill Path information provided by client listed, not surveyed.

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



SURFACE LOCATION

DATUM: NAD-27
 LAT: 35°29'33.8" N
 LONG: 98°03'56.7" W
 LAT: 35.492725550° N
 LONG: 98.065746855° W
 STATE PLANE
 COORDINATES: (US Feet)
 ZONE: OK NORTH
 X: 1980427
 Y: 179365
 DATUM: NAD-83
 LAT: 35°29'34.0" N
 LONG: 98°03'57.9" W

Operator: PALOMA OPERATING COMPANY, INC.

Lease Name: FATBOY 29-32-12N-8W

Topography & Vegetation Location fell in hay field.

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 I-40/US Hwy 270 & Heaston Road, go ±2.5 miles South on Heaston Road, then ±0.5 mile East to the North Quarter Corner of Section 29, T12N-R8W.

Revision A

Date of Drawing: October 16, 2019

Project # 130245

Date Staked: October 15, 2019

NB

Well No.: 3MHX

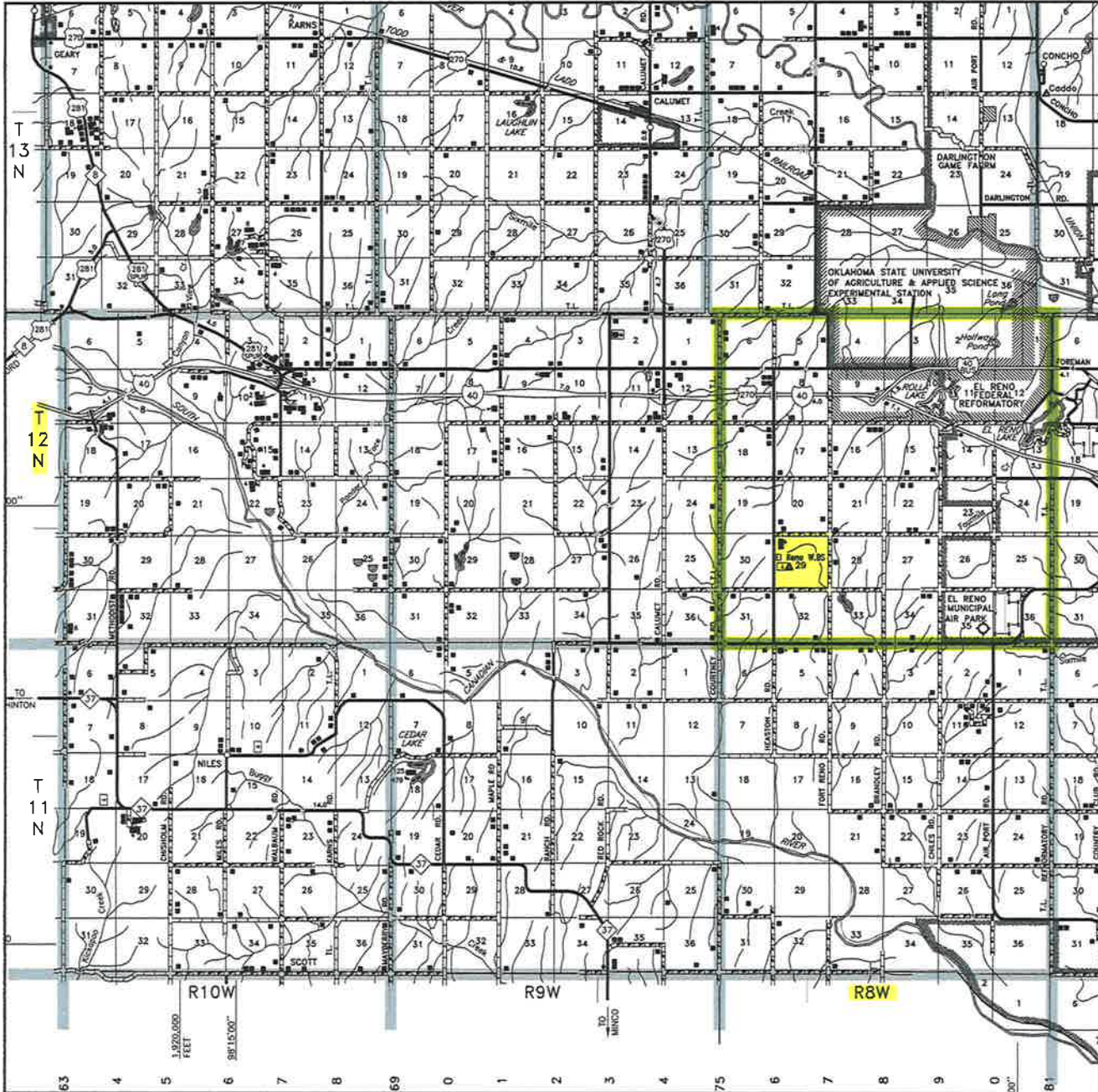
ELEVATION:

1437' Gr. at Stake (NAVD 88)
1437' Gr. at Stake (NGVD 29)

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. 29 Twp. 12N Rng. 8W I.M.

County CANADIAN State OK

Operator PALOMA OPERATING COMPANY, INC.



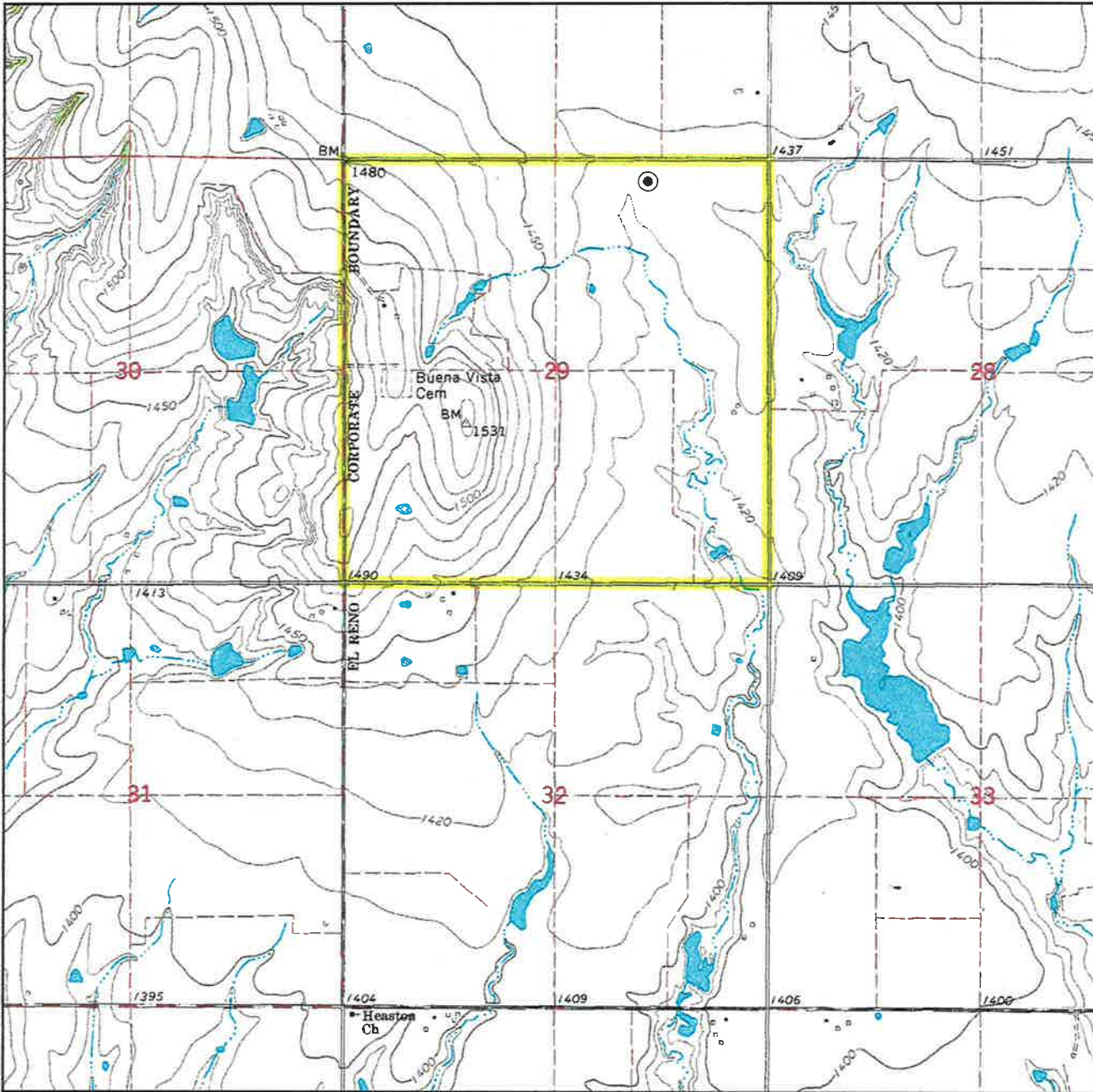
TOPOGRAPHIC LAND SURVEYORS OF OKLAHOMA

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

LOCATION & ELEVATION VERIFICATION MAP



Sec. 29 Twp. 12N Rng. 8W I.M.

County CANADIAN State OK

Operator PALOMA OPERATING COMPANY, INC.

Description 280'FNL-1494'FEL

Lease FATBOY 29-32-12N-8W 3MHX

Elevation 1437' Gr. at Stake (NAVD 88)
1437' Gr. at Stake (NGVD 29)

Above Background Data from
U.S.G.S. Topographic Map
Scale: 1"=2000'

Contour Interval 10'

When elevation is shown hereon it is the ground elevation of the location stake.
Review this plat and inform us immediately of any possible discrepancy.



LAND SURVEYORS OF OKLAHOMA

Oct. 15, 2019