

API NUMBER: 117 23693

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

Approval Date: 11/02/2017
Expiration Date: 05/02/2018

Straight Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 20N Rge: 5E

County: PAWNEE

SPOT LOCATION: SE NE NW SW FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 542 1050

Lease Name: TY SMITHTON

Well No: 1-33

Well will be 542 feet from nearest unit or lease boundary.

Operator Name: TERRITORY RESOURCES LLC

Telephone: 4055331300; 4055331

OTC/OCC Number: 22388 0

TERRITORY RESOURCES LLC
1511 S SANGRE RD
STILLWATER, OK 74074-1869

LAGRAND EDWARDS
58650 SOUTH 34900 ROAD
MARAMEC OK 74045

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

Name	Depth	Name	Depth
1 CLEVELAND	2790	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 637600

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201706615
201706614

Special Orders:

Total Depth: 2900

Ground Elevation: 935

Surface Casing: 110

Depth to base of Treatable Water-Bearing FM: 60

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

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: 2500 Average: 1800

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: VANOSS

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

PERMIT NO: 17-33152

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

Notes:

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.

Category	Description
HYDRAULIC FRACTURING	<p>9/19/2017 - G71 - OCC 165:10-3-10 REQUIRES:</p> <p>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;</p> <p>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,</p> <p>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</p>
PENDING CD - 201706614	<p>11/2/2017 - G58 - 33-20N-5E X637600 CLVD 1 WELL NO OP. NAMED REC 10/31/2017 (MCKEOWN)</p>
PENDING CD - 201706615	<p>11/2/2017 - G58 - (I.O.) SW4 33-20N-5E X637600 CLVD 542' FNL, 1050' FWL NO OP. NAMED REC 10/31/2017 (MCKEOWN)</p>
SPACING - 637600	<p>9/19/2017 - G58 - (160) SW4 33-20N-5E EST CLVD, OTHER</p>

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