

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

API NUMBER: 053 23459

Approval Date: 11/17/2017

Expiration Date: 05/17/2018

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 33 Twp: 25N Rge: 3W

County: GRANT

SPOT LOCATION: NW NW NW NW

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 165 165

Lease Name: STATE

Well No: 1-33

Well will be 165 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

COMMISSIONERS OF THE LAND OFFICE
SUITE 900
204 NORTH ROBINSON
OKLAHOMA CITY OK 73102

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

	Name	Depth	Name	Depth
1	LAYTON	4075	6	
2	WOODFORD	5588	7	
3	WILCOX	5688	8	
4			9	
5			10	

Spacing Orders: 668809

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201704990

Special Orders:

Total Depth: 5875

Ground Elevation: 1049

Surface Casing: 170

Depth to base of Treatable Water-Bearing FM: 120

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

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

PERMIT NO: 17-33355

Chlorides Max: 2500 Average: 1800

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

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 BED AQUIFER

Pit Location Formation: GARBER

Notes:

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

053 23459 STATE 1-33

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>10/31/2017 - 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: OCCWEB.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 - 201704990	<p>11/14/2017 - G58 - (I.O.) W2 NW4 33-25N-3W X ?** LYTN, WDFD, WLCX NCT 165' FNL, NCT 165' FWL NO OP NAMED REC 10/4/2017 (MINMIER)</p> <p>**S/B X668809 LYTN, WDFD, WLCX; TO BE ADDED AT HEARING FOR FINAL ORDER LOCATION EXCEPTION PER ATTORNEY FOR OPERATOR</p>
SPACING - 668809	<p>11/14/2017 - G58 - (80) NW4 33-25N-3W SU NE/SW EXT 665485 LYTN, WDFD, WLCX</p>