

API NUMBER: 015 22500 D

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

Approval Date: 02/01/2023
Expiration Date: 08/01/2024

Directional Hole Oil & Gas

PERMIT TO DEEPEN

WELL LOCATION: Section: 32 Township: 6N Range: 9W County: CADDO

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 2458 1512

Lease Name: MERCER FOR MAYOR Well No: 1-32 Well will be 1512 feet from nearest unit or lease boundary.
Operator Name: TERRITORY RESOURCES LLC Telephone: 4055331300; 4055331300 OTC/OCC Number: 22388 0

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

TRAVIS L BILYEU
PO BOX 640
CYRIL OK 73029

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

Name	Code	Depth
1 DEESE	404DEESS	11150

Spacing Orders: 292300

Location Exception Orders: 427346
715089

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 11728

Ground Elevation: 1375

Surface Casing: 1008 IP

Depth to base of Treatable Water-Bearing FM: 820

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT) PERMIT NO: 23-38827
H. (Other) CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 3000 Average: 2000

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: RUSH SPRINGS

DIRECTIONAL HOLE 1

Section: 32 Township: 6N Range: 9W Meridian: IM
County: CADDO

Measured Total Depth: 11728

Spot Location of End Point: SE SE NE SW

True Vertical Depth: 11500

Feet From: SOUTH 1/4 Section Line: 1437

End Point Location from
Lease, Unit, or Property Line: 1437

Feet From: WEST 1/4 Section Line: 2591

NOTES:

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.

Category	Description
HYDRAULIC FRACTURING	<p>[1/24/2023 - GC2] - OCC 165:10-3-10 REQUIRES:</p> <p>1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN;</p> <p>2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS; AND,</p> <p>3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG</p>
LOCATION EXCEPTION - 427346	<p>[1/31/2023 - GC2] - (F.O.) 32-6N-9W X292300 DEESS, OTHERS SHL 2460' FSL, 1521' FWL *** BHL 828' FSL, 1766' FEL AVALON EXPLORATION, INC+++ 10/15/1998</p> <p>***S/B 2458' FSL, 1512' FWL +++S/B TERRITORY RESOURCES, LLC</p>
LOCATION EXCEPTION - 715089	<p>[1/31/2023 - GC2] - 32-6N-9W X427346 CHANGE OF OPERATOR TO TERRITORY RESOURCES, LLC</p>
SPACING - 292300	<p>[1/31/2023 - GC2] - (640) 32-6N-9W EXT OTHERS EXT 113370/268843 DEESS, OTHERS</p>