

API NUMBER: 071 24935

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

Approval Date: 05/11/2023

Expiration Date: 11/11/2024

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 35 Township: 25N Range: 1W County: KAY

SPOT LOCATION: E2 E2 SW SW FEET FROM QUARTER: FROM SOUTH FROM WEST
SECTION LINES: 660 1063

Lease Name: KENZIE

Well No: 1-35

Well will be 660 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

GALLLEGOS LAND AND CATTLE

1511 S SANGRE RD

STILLWATER OK 74074

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

	Name	Code	Depth
1	HOOVER UP	406HOVRU	1850
2	HOOVER LOW /BASAL/	406HOVRL	1900
3	ENDICOTT	406ENDC	2200
4	TONKAWA	406TNKW	2500

Spacing Orders: No Spacing

Location Exception Orders: No Exceptions

Increased Density Orders: No Density

Pending CD Numbers: 202301477
202301479

Working interest owners' notified: YES

Special Orders: No Special

Total Depth: 2700

Ground Elevation: 974

Surface Casing: 370

Depth to base of Treatable Water-Bearing FM: 320

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

Approved Method for disposal of Drilling Fluids:

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

PERMIT NO: 23-39007

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: WELLINGTON

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>[5/1/2023 - 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>
PENDING - CD2023-001477	<p>[5/1/2023 - GB7] - (E.O.) SW4 SW4 35-25N-1W X403503 HOVRU, ENDC, TNKW 1 WELL TERRITORY RESOURCES LLC 05/08/2023</p>
PENDING - CD2023-001479	<p>[5/1/2023 - GB7] - (E.O.) SW4 SW4 35-25N-1W X403503 HOVRU, HOVRL, ENDC, TNKW X165:10-3-28(C)(2)(B) MSSP MAY BE CLOSER THAN 600' TO NEMAHA # (071-23793), NEMAHA #5 (071-23804) & NEMAHA #6 (071-23805) COMPL. INT. NCT 660' FSL, NCT 257' FEL SW4 SW4 TERRITORY RESOURCES LLC REC 05/09/2023 (BEESE)</p>
SPACING - 403503	<p>[5/1/2023 - GB7] - (40) S2 SW4 35-25N-1W EST OTHERS EXT 97657 HOVRU, HOVRL, ENDC, TNKW, OTHERS</p>