

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

API NUMBER: 053 23463

Approval Date: 06/28/2019

Expiration Date: 12/28/2020

Straight Hole

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 28 Twp: 25N Rge: 3W

County: GRANT

SPOT LOCATION:

C

W2

SW

SW

FEET FROM QUARTER: FROM

SOUTH

FROM

WEST

SECTION LINES:

660

330

Lease Name: KENZIE

Well No: 1-28

Well will be 330 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

RJ & PEGGY PARRISH REV. TRUST

101675 EAST UNION ROAD

HUNTER OK 74640

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

	Name	Depth	Name	Depth
1	OSWEGO	4606	6	
2	SKINNER	4814	7	
3	MISSISSIPPI	5140	8	
4			9	
5			10	

Spacing Orders: No Spacing

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 5650

Ground Elevation: 1046

**Surface Casing: 190**

Depth to base of Treatable Water-Bearing FM: 140

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: 3500 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: GARBER

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

PERMIT NO: 19-36620

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>6/6/2019 - 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: <a href="http://OCCWEB.COM/OG/OGFORMS.HTML">OCCWEB.COM/OG/OGFORMS.HTML</a>; 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: <a href="http://FRACFOCUS.ORG">FRACFOCUS.ORG</a></p>
SPACING	6/27/2019 - G56 - FORMATIONS UNSPACED; 80-ACRE LEASE (W2 SW4)
SURFACE LOCATION	6/28/2019 - G56 - 660' FSL, 330' FWL SW4 28-25N-3W PER OPERATOR