

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

API NUMBER: 051 22782 C

Approval Date: 07/02/2019

Expiration Date: 01/02/2021

Directional Hole Oil & Gas

Amend reason: OCC CORRECTION: ADD FORMATION

**AMEND PERMIT TO DRILL**

WELL LOCATION: Section: 16 Township: 5N Range: 8W County: GRADY

SPOT LOCATION: SE SE NW NE FEET FROM QUARTER: FROM NORTH FROM EAST  
SECTION LINES: 1150 1350

Lease Name: NIGHT Well No: 1-16 Well will be 1150 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

VANCE & JASON SIMMONS  
P.O. BOX 222  
CEMENT OK 73017

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

| Name            | Code     | Depth |
|-----------------|----------|-------|
| 1 ATOKA         | 403ATOK  | 5800  |
| 2 SPRINGER SAND | 401SPRSD | 6900  |

Spacing Orders: 157082  
158165

Location Exception Orders: 429500  
698675

Increased Density Orders: No Density Orders

Pending CD Numbers: No Pending

Special Orders: No Special Orders

Total Depth: 9740 Ground Elevation: 1269

Surface Casing: 872 IP

Depth to base of Treatable Water-Bearing FM: 740

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

Approved Method for disposal of Drilling Fluids:

**DIRECTIONAL HOLE 1**

Section: 16 Township: 5N Range: 8W Total Length: 0  
County: GRADY Measured Total Depth: 9740  
Spot Location of End Point: NE NW SW NE True Vertical Depth: 9622  
Feet From: NORTH 1/4 Section Line: 1396  
Feet From: EAST 1/4 Section Line: 2277  
End Point Location from  
Lease, Unit, or Property Line: 1396

**NOTES:**

| Category             | Description   |
|----------------------|---|
| HYDRAULIC FRACTURING | 11/9/2018 - G71 - OCC 165:10-3-10 REQUIRES:<br><br>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;<br><br>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,<br><br>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> |

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.

|                             |  |
|-----------------------------|--|
| LOCATION EXCEPTION - 429500 | 2/24/2020 - G56 - (F.O.) 16-5N-8W<br>X157082/158165 ATOK, SPRSD, OTHER<br>SHL 1150' FNL, 1350' FEL<br>COMPL INT (ATOK) 1152' FNL, 1565' FEL<br>COMPL INT (SPRSD) ENTRY 1165' FNL, 1639' FEL<br>COMPL INT (SPRSD) EXIT 1280' FNL, 1979' FEL<br>CARL E. GUNGOLL EXPLORATION, INC.<br>1/13/1999 |
| LOCATION EXCEPTION - 698675 | 2/24/2020 - G56 - 16-5N-8W<br>X429500 CHANGE OF OPERATOR TO TERRITORY RESOURCES, LLC   |
| SPACING - 157082            | 2/24/2020 - G56 - (640) 16-5N-8W<br>EXT OTHER<br>EST ATOK, OTHER   |
| SPACING - 158165            | 2/24/2020 - G56 - NPT CORRECTING SP ORDER 157082 PARAGRAPH 1 OF THE ORDER SECTION.<br>ORDER 63111 SPRSD IS EXTENDED TO SECTION 16  |

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Office of the Conservation Division as to when Surface Casing will be run.